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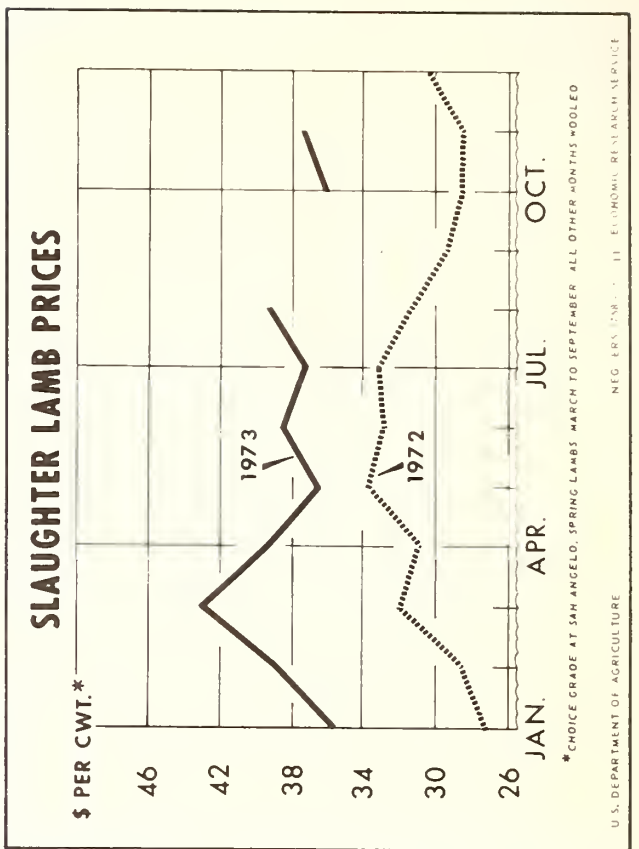
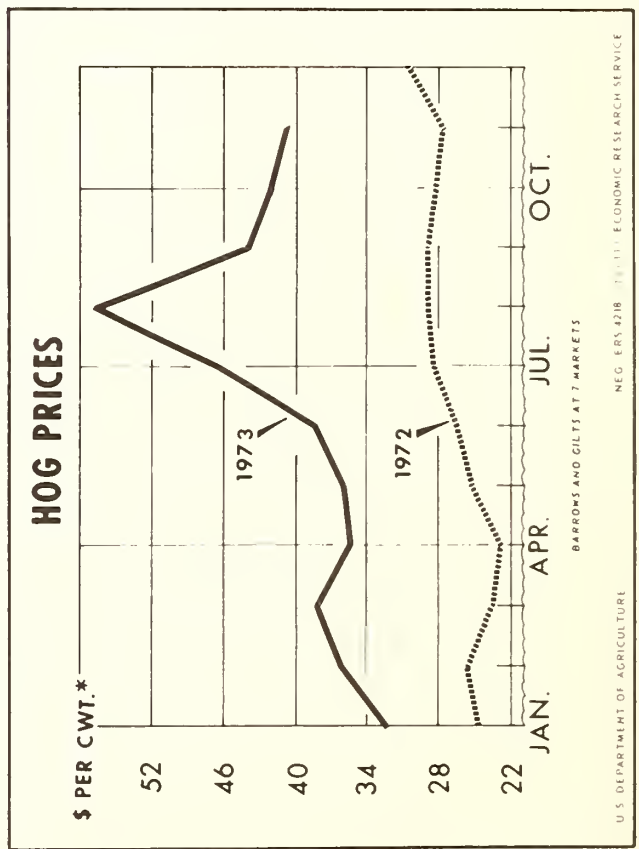
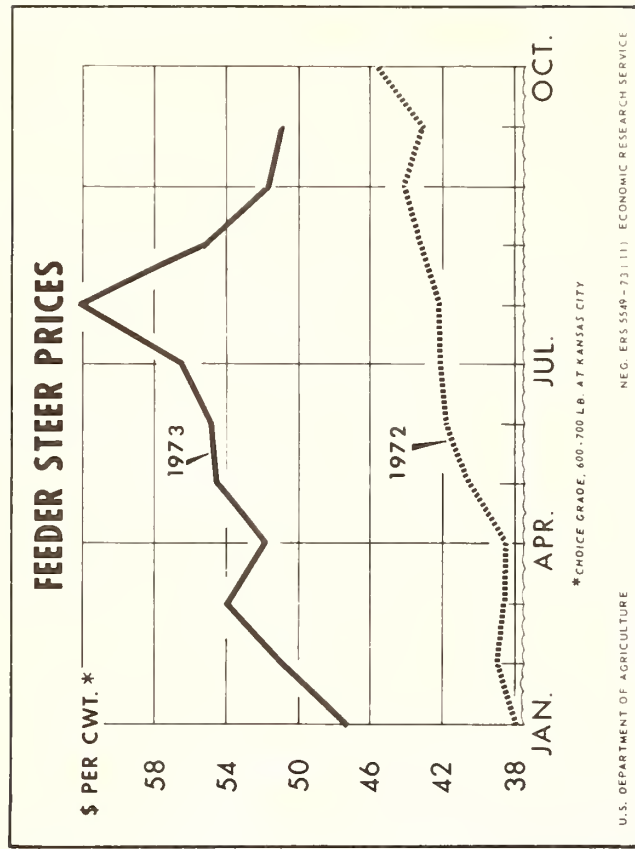
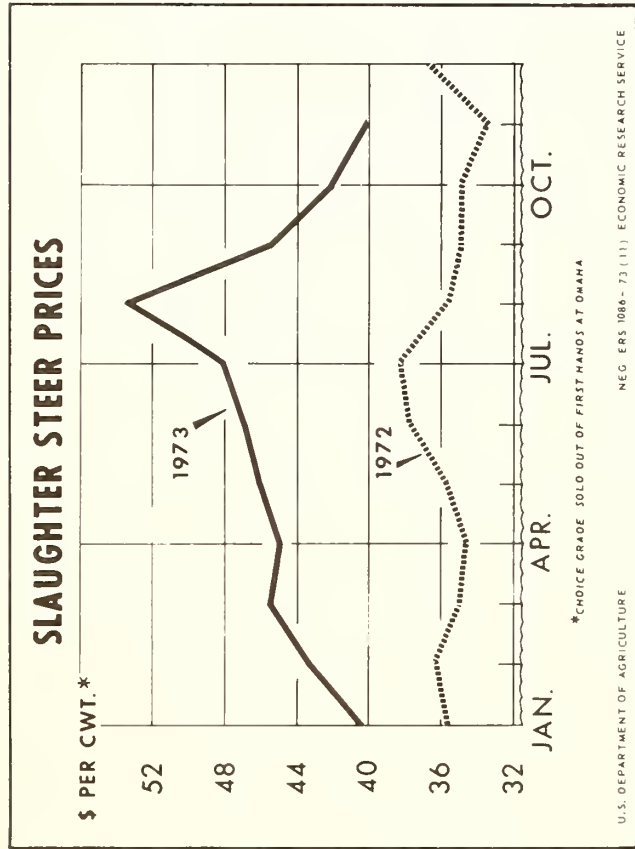
# LIVESTOCK AND MEAT Situation

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# LIVESTOCK AND MEAT SITUATION

## CONTENTS

	Page
Summary .....	3
Situation and Outlook	
Cattle .....	4
Hogs .....	9
Sheep and Lambs .....	12
Meat Situation and Prices .....	14
World Meat Economy in Perspective .....	27
List of Tables .....	32

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Approved by  
The Outlook and Situation Board  
and Summary released  
November 27, 1973

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• • •

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## SUMMARY

Higher fed cattle prices and smaller beef supplies are in prospect for this winter. In the past year, high feeder cattle prices, increased feeding costs, and market disruptions in spring and summer discouraged placements of cattle on feed. This backup of feeder cattle from the 1972 beef calf crop, together with a larger 1973 crop, indicates a large number of feeder cattle are available for feedlot placement this fall. This could lead to a large increase in fed beef production by next spring and summer, accompanied by declining prices.

Fed cattle prices have stabilized near \$40 per 100 pounds this fall after some dramatic declines from near \$58 in August. Slaughter is up substantially from the low summer level but is still averaging under last year. Although fed beef production is down from last year, cow slaughter has been up slightly.

Feeder cattle prices have dropped since summer, but not as much as fed cattle prices. Further reductions in feeder cattle prices are probable this fall but some recovery may occur this winter as fed cattle prices rise.

Hog slaughter this fall is seasonally larger than in the summer but it continues below 1972. Hog prices tumbled from near \$60 per 100 pounds in August to \$41.50 in mid-November, but remained considerably higher than last year. Although feed prices have subsided somewhat from midsummer highs, hog producers are still not planning to expand production. The 10-State June-August pig crop was down 4 percent from last year and intentions for farrowing in the Corn Belt during September-November indicate no increase from 1972. This would result in a slightly smaller total fall pig crop and point to lower marketings during the first half of 1974. Thus, hog prices are expected to remain well above a year earlier through the first half of 1974.

Decisions now being made by hog producers will affect second half 1974 pork production. With prospects for a strong hog market and stable feed prices this winter, production could be stimulated, and second half marketings may be larger than the low levels experienced this year.

Sheep and lamb slaughter is down again this year and some further reduction is likely in 1974. Slaughter lamb prices generally increased this

summer but not as much as for other classes of livestock. Smaller slaughter supplies and higher livestock markets this winter will add strength to lamb prices.

The lower prices for live animals in late summer and fall have resulted in some easing in retail prices this fall. However, only a portion of the decline in live animal prices has been reflected at retail, and retail margins remain unusually wide. Retail pork and beef prices may rise a little again this winter but will generally decline through the remainder of 1974,

reflecting larger supplies and lower live animal prices, especially for cattle. If economic conditions in 1974 slow more than now anticipated as a result of the energy crisis, consumer demand may not be as strong as our price forecasts indicate.

Per capita meat consumption is down this year—13 pounds below the 189 pounds in 1972—reflecting reduced domestic meat production. Although pork consumption in 1974 may be largely unchanged from this year, beef consumption likely will increase, raising per capita red meat consumption for the year.

## SITUATION AND OUTLOOK

### Commercial Meat Production

	1972				1973				1974 <sup>1</sup>	
	I	II	III	IV	I	II	III	IV <sup>1</sup>	I	II
Beef (Mil. lbs.) . . . . .	5,370	5,566	5,559	5,723	5,386	5,041	4,992	(5,550)	(5,225)	(5,500)
Percent change from year earlier . . . . .	+1	+2	0	+6	0	-9	-10	-3	-3	+9
Previous quarter . . . . .	0	+4	0	+3	-6	-6	-1	+11	-6	+5
Pork (Mil. lbs.) . . . . .	3,503	3,386	3,064	3,507	3,262	3,178	2,792	(3,295)	(3,130)	(3,080)
Percent change from year earlier . . . . .	-5	-8	-11	-8	-7	-6	-9	-6	-4	-3
Previous quarter . . . . .	-8	-3	-10	+14	-7	-3	-12	+18	-5	-2
Lamb and Mutton (Mil. lbs.) . . . . .	142	130	124	137	125	126	128	(130)	(119)	(120)
Percent change from year earlier . . . . .	-2	-2	-4	0	-12	-3	+3	-5	-5	-5
Previous quarter . . . . .	+4	-8	-5	+10	-9	+1	+2	+2	-8	+1

### Livestock Prices

	1972				1973				1974 <sup>1</sup>	
	I	II	III	IV	I	II	III	IV <sup>1</sup>	I	II
	Dollars per 100 pounds	Dollars per 100 pounds	Dollars per 100 pounds	Dollars per 100 pounds	Dollars per 100 pounds	Dollars per 100 pounds	Dollars per 100 pounds	Dollars per 100 pounds	Dollars per 100 pounds	Dollars per 100 pounds
Choice Steers, Omaha . .	35.69	36.02	36.24	35.06	43.17	46.00	49.04	(40-42)	(44-46)	(41-43)
Barrows and gilts, 7 markets . . . . .	24.67	24.98	28.85	28.89	35.62	36.67	49.04	(41-43)	(42-44)	(42-44)
Slaughter lambs, 5-markets	28.70	31.85	31.00	27.90	38.25	36.00	36.63	(33-35)	(38-40)	(37-39)

<sup>1</sup> Forecast.

## CATTLE

Commercial cattle slaughter through the first 3 quarters of 1973 totaled 24.8 million head, 7 percent fewer than during January-September last year. All of the reduction was in steers and heifers — down 9 percent fed down 6 and nonfed accounting for the balance. Estimated commercial cow slaughter was up about 2 percent. Cattle slaughter is expected to

continue below a year earlier this fall and winter but to increase in the spring and summer, and to be larger than this winter and a year earlier.

There were 6 percent fewer fed cattle marketed during January-September than during the same period a year ago. The Corn Belt accounted for most of the decline. Marketings in the West were off only 2 percent while shipments from the 13 North Central States dropped 9 percent. Non-fed steer and heifer slaughter this year has been negligible.



Western feeders continue to account for an increasing proportion of fed cattle marketed. About half of the cattle on feed on October 1 were in the 10 Western States, compared with about 40 percent 5 years ago. Cattle feeding is expected to continue to increase faster in the West than in the Corn Belt during the next several years but the rate of the westward shift will be slower than in the past decade.

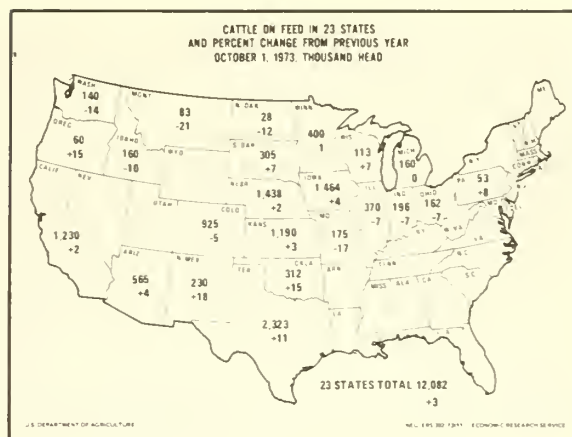
Relatively fewer heifers are fed in the West than in the Corn Belt. On October 1 heifers accounted for about 24 percent of the cattle on feed in the West and about 30 percent in the North Central States.

### Fall Fed Cattle Marketings Up Sharply From Summer

There were 3 percent more cattle and calves on feed in 23 major feeding States on October 1 than a year earlier. Western feedlots had 4 percent more animals on feed, while Corn Belt feedlots held only slightly more.

Cattle feeders on October 1 planned to market nearly as many cattle during October-December as in these months last year. Neither Western feeders nor Corn Belt feeders planned to ship more cattle than during the same period last year. Even so, fall marketings would be up about 12 percent from summer levels.

Fall marketing intentions can be met because of the large increase in the number of heavy cattle on feed on October 1. The number of steers weighing over 900 pounds was up 17 percent and heifers weighing over 700 pounds were up 7 percent. These cattle would normally make up the bulk of fall shipments. However, October marketings were down 5 percent



from a year earlier in 7 States that report monthly and account for more than 70 percent of total fed cattle movement. Rates of gain and feeding efficiency have apparently been lower this year. High costs of protein feeds, causing some substitution in cattle rations, and banning of DES are probably the main factors contributing to slower gains. The rate of grain use in feeding this year has been unusually heavy compared with the use of protein feed.

Fed cattle marketings in 23 States for all of 1973 will be down about 5 percent from the 26.8 million head marketed last year, and will be about the same as the number marketed in 1971. This downturn disrupts the trend of steadily rising fed beef production over the past several years. Through the 1960's fed cattle marketings increased by a 7 percent average annual rate.

Table 1.—Cattle and calves on feed in 23 States, October 1, by regions

Item	1971	Change from 1970	1972	Change from 1971	1973	Change from 1972
	Thousand head	Percent	Thousand head	Percent	Thousand head	Percent
North Central States						
East .....	1,147	-3.7	1,100	-4.1	1,054	-4.2
West .....	4,623	-2.4	4,892	+5.8	5,000	+2.2
Total .....	5,770	-2.7	5,992	+3.8	6,054	+1.0
Texas and Oklahoma .....	1,851	+12.4	2,363	+27.7	2,635	+11.5
Other Western States .....	3,045	+6.9	3,419	+12.3	3,393	-0.8
Total .....	10,666	+2.3	11,774	+10.4	12,082	+2.6

### Fed Beef Output to Rise in 1974

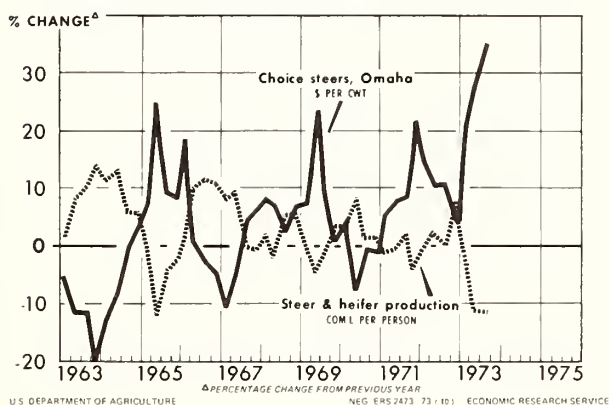
Marketings are expected to increase sharply in 1974 because of the substantially larger supply of yearling feeder cattle this fall and an estimated 6 percent increase in the 1973 beef calf crop. Also, the

feed situation seems to be stabilizing and feed costs are down this fall from the peak levels last summer.

Fed cattle shipments in the first half of 1974 are expected to total more than January-June shipments this year. Reductions in the winter quarter will likely

be more than offset by increases in the spring. On October 1 there were 5 percent fewer cattle in weight groups that make up the bulk of fed cattle normally marketed in the winter. Winter marketings could be down more than that because weight gains will probably be slower this winter than last as a result of some alteration in rations due to high feed costs. Also, feeding efficiency will reflect the full impact of the banning of DES, in contrast to last winter when only the initial effects of its restricted use were noted. However, some carryover of cattle normally marketed in the fall and placement of heavy feeders that will reach market weight in the winter, will be partially offsetting. Some increase in January-March cow slaughter will further offset the drop in fed beef output and on balance, winter beef production could be down 5 to 7 percent from this fall and 2 to 4 percent under a year earlier.

### CHANGES IN BEEF PRICES AND PRODUCTION



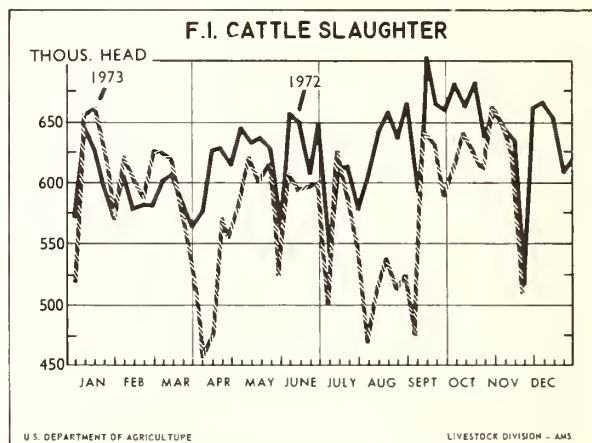
Placements of feeder cattle were off 13 percent last spring and summer. Also, placements in 7 States were down 20 percent this October. This has resulted in a backup of 1972 calves that normally have gone on feed during that period. Consequently, in early fall there were an estimated 15 to 20 percent more cattle available for placement in late 1973 and in 1974 than a year earlier. Many of the yearlings placed on feed late this fall and early winter will be heavier than placements and will reach last year market weight somewhat sooner than usual.

If late fall and early winter placements are up sharply as expected, spring marketings could rise significantly above last spring's low level. Early November indications at 7 Midwestern markets show feeder cattle movement up substantially from October and from last year.

Fed marketings next spring could be up significantly from last spring when marketings were restricted by the slow gains during the winter and spring due to the ban on DES, severe weather, and the consumer boycott. With some continued increase in cow slaughter, total cattle slaughter next spring could top April-June 1973 by nearly 10 percent. If

cattle slaughter in the first half next year approaches the foregoing estimates, there will be a small increase in total beef production next January-June over the first half this year, but production would be slightly less than in January-June 1972.

Fed cattle marketings in the second half of 1974 will depend largely on placements in the first half of the year. January-June placements are expected to rise substantially from a year earlier and summer marketings will be sharply above the low summer levels this year. Fourth quarter 1974 slaughter will continue above a year earlier.



### Fed Cattle Prices to Strengthen this Winter

Choice steers at Omaha in mid-November were selling for about \$40.25 per 100 pounds, \$16.25 below mid-August highs but still \$6.75 above a year earlier. Prices are expected to rise this winter as fed cattle marketings run below fall and year-earlier levels, and will likely average \$1 to \$3 above 1973's January-March average of \$43 per 100 pounds. In the spring, however, increasing supplies of fed cattle will exert downward pressure on the cattle market and prices will decline with Choice steers at Omaha averaging below the April-June 1973 average of \$46. Broiler

Choice steer prices per 100 pounds, Omaha

Month	1969	1970	1971	1972	1973
	Dol.	Dol.	Dol.	Dol.	Dol.
January . . . .	27.82	28.23	29.11	35.74	40.62
February . . . .	27.63	29.30	32.23	36.19	43.35
March . . . . .	29.00	30.97	31.81	35.13	45.55
April . . . . .	30.41	30.64	32.44	34.53	44.97
May . . . . .	33.18	29.52	32.88	35.66	46.05
June . . . . .	33.99	30.29	32.39	37.88	46.98
July . . . . .	31.56	31.12	32.44	38.21	48.05
August . . . . .	30.40	30.14	33.24	35.66	53.61
September . . .	28.77	29.32	32.62	34.85	45.45
October . . . .	27.72	28.67	32.34	34.85	41.79
November . . .	27.67	27.21	33.58	33.56	
December . . .	27.98	26.71	34.40	36.79	
Average . . .	29.66	29.34	32.42	35.83	



production probably will be expanding in the spring, but pork output may still be trailing year-earlier rates.

### Feeder Market Under Pressure

This year feeder cattle prices have averaged well above 1972. During January-October, Choice 600-700 pound feeder steers at Kansas City averaged near \$54 per 100 pounds, \$13 higher than a year earlier. In early November they were bringing \$50.50, \$7 more than a year earlier.

Feeder cattle prices generally traced the upward movement of the fed cattle market into midsummer and then followed the fed market down through most of September. However, the \$7 decline of feeder prices was substantially less than the \$18 drop in the fed market. Despite the large supply of feeder cattle, owners apparently were in a strong position to hold cattle rather than to continue to sell on a lower market. Range and pasture conditions continued good and hay supplies were plentiful, except in the Pacific Northwest and some near by areas where drought was severe.

Feeder cattle prices per 100 pounds, Kansas City

Month	Choice feeder steers 600-700 lbs. <sup>1</sup>			Choice feeder steer calves <sup>2</sup>		
	1971	1972	1973	1971	1972	1973
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Jan. ....	32.20	37.92	47.33	36.18	41.50	51.95
Feb. ....	34.24	38.86	50.98	38.48	43.94	56.10
Mar. ....	34.26	38.64	54.01	38.17	44.69	62.72
Apr. ....	34.46	38.54	51.82	38.62	45.16	60.42
May ....	34.52	40.43	54.55	39.19	46.67	62.59
June ....	34.52	41.94	54.85	39.15	47.32	62.42
July ....	34.36	42.02	56.49	39.10	47.10	64.40
Aug. ....	35.18	42.07	62.40	39.36	48.32	72.52
Sept. ....	34.97	43.29	55.06	39.33	48.70	62.80
Oct. ....	35.64	44.15	51.86	39.95	49.81	59.46
Nov. ....	36.88	43.17	51.02	41.70	48.37	56.42
Dec. ....	37.20	45.77		41.81	49.90	
Av. ....	34.87	41.40		39.25	46.79	

<sup>1</sup> Prior to 1972 550-750 lbs. <sup>2</sup> 400-500 lbs., prior to 1972 300-500 lbs.

The price spread between Choice slaughter steers and yearling feeder steers has been record-wide this fall. In early November, Choice 600-700 pound feeder steers sold more than \$10 above Choice fed cattle at Omaha. The spread will likely narrow in the months ahead as fed cattle prices strengthen.

Although feeder cattle prices weakened in the late summer, they are currently high relative to fed cattle prices and feed costs. The feeder market has held up because roughage supplies have been plentiful and few forced sales have occurred. The low placement rate during the spring and summer, together with a

slower than normal movement of feeder cattle so far this fall, indicate that a considerable volume of feeders is available for placement.

In view of the higher feed prices this fall than a year ago, increased pressure for a lower market will probably be exerted on feeder cattle prices in the weeks ahead. A rising fed cattle market in the winter will help stiffen the feeder market during that period. However, in the spring and summer, downward pressure on feeder prices will again be evident as fed cattle marketings increase and prices decline.

Feeder cattle imports from Mexico may be down during the next several months. From September 1972 through August 1973 the Mexican export quota to the United States was 790,000 head, with actual U.S. imports from Mexico near 800,000. For quota year 1973-74, the Mexican government reduced the quota to near 600,000 head plus an additional quota of 10-20,000 head for dairy steers. Such announced quotas are subject to change at a later date.

Current fed cattle prices per 100 pounds, compared with feeder cattle prices 5 months earlier

Year	Fed cattle <sup>1</sup>	Feeder cattle <sup>2</sup>	Margins
	Dollars	Dollars	Dollars
1971			
January ...	29.10	33.28	-4.18
February ..	32.18	32.86	-.68
March .....	31.89	32.66	-.77
April .....	32.41	31.79	+.62
May .....	32.86	31.28	+1.58
June .....	32.35	32.20	+.15
July .....	32.44	34.24	-1.80
August ....	33.10	34.26	-1.16
September .	32.58	34.46	-1.88
October ...	32.22	34.52	-2.30
November ..	33.30	34.52	-1.22
December ..	34.28	34.36	-.08
1972			
January ...	35.63	35.18	+.45
February ..	36.32	34.97	+1.35
March .....	35.17	35.64	-.47
April .....	34.52	36.88	-2.36
May .....	35.70	37.20	-1.50
June .....	37.91	37.92	-.01
July .....	38.38	38.86	-.48
August ....	35.70	38.64	-2.94
September .	34.69	38.54	-3.85
October ...	34.92	40.43	-5.51
November ..	33.59	41.94	-8.35
December ..	36.85	42.02	-5.17
1973			
January ...	40.65	42.07	-1.42
February ..	43.54	43.29	+.25
March .....	45.65	44.15	+1.50
April .....	45.03	43.17	+1.86
May .....	45.74	45.77	-.03
June .....	46.76	47.33	-.57
July .....	47.66	50.98	-3.32
August ....	52.94	54.01	-4.39
September .	45.12	51.82	-6.70
October ...	41.92	54.55	-12.63

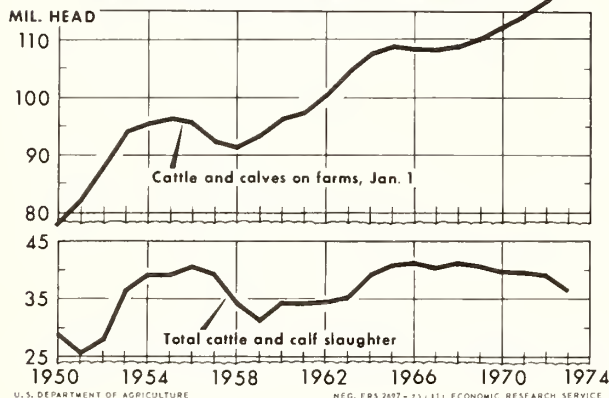
<sup>1</sup> Choice steers at Omaha, 900-1,100 pounds. <sup>2</sup> Choice steers at Kansas City, 600-700 pounds, prior to 1972 550-750 lbs.

## Inventory Gains Continuing

There is potential for substantial increases in cattle slaughter in the next few years.

The cattle inventory rose 2 million head per year in 1969 and 1970, 3 million in 1971 and 4 million in 1972. The increase in the cattle inventory during 1973 will likely double the increase last year, because of this year's 4 percent larger calf crop, increased imports of live cattle, and the sharp reduction in slaughter. All of the inventory increase will be in beef cows and young beef animals; the decline in the dairy herd is continuing.

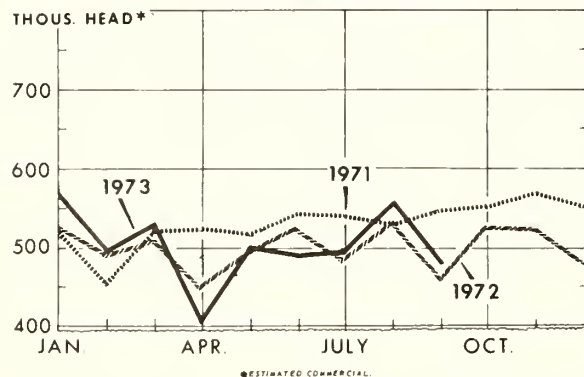
### CATTLE INVENTORY AND SLAUGHTER



## Cow Slaughter Up

During the first 9 months of 1973, estimated commercial cow slaughter was up 2 percent from a year earlier. Most of the increase was in dairy cows since liquidation of dairy herds has increased this year. Generally favorable range conditions this year limited forced selling of beef cows, and high feeder cattle prices encouraged further breeding herd expansion. With continuing liquidation of the dairy herd, fall cow slaughter will probably be above a year earlier.

### COW SLAUGHTER



Cow slaughter probably will be up again in 1974 with increases associated more with the beef cow herd than in 1973. The total cow herd has been increasing very rapidly in recent years, due solely to increases in beef cow numbers, and slaughter has been low in relation to the number of cows on farms and ranches. For example, during the late 1960's, cow slaughter ranged from 14 to 18 percent of the January 1 inventory of all cows on farms. Since then, the breeding herd has expanded substantially and cow slaughter has declined to levels near the early 1960's when the herd buildup was in full swing. In 1972 total cow slaughter was only 12 percent of the January 1 inventory, the same as in 1963, the year prior to substantial increases in slaughter.

Substantial increases in the breeding herd in recent years, together with low culling rates, mean the average age of the cow herd is advancing. Increases in the culling rate in 1974 and later would be consistent with past experience. For example, during the late stages of the last buildup phase of the cattle cycle, cow slaughter dropped to about the current relationship with the breeding herd inventory. Then it quickly expanded to 17 percent within a year or so. However, severe drought forced heavy movement of cows to slaughter.

Cow prices this year have been the highest on record with Utility grade cows at Omaha reaching a peak of \$39.50 per 100 pounds in mid-August. In mid-November they were bringing \$30.60, still \$4.60 above a year earlier. Prices will probably rise seasonally this winter. But if beef production rises in the spring as expected, the cow market may decline along with prices of other slaughter cattle.

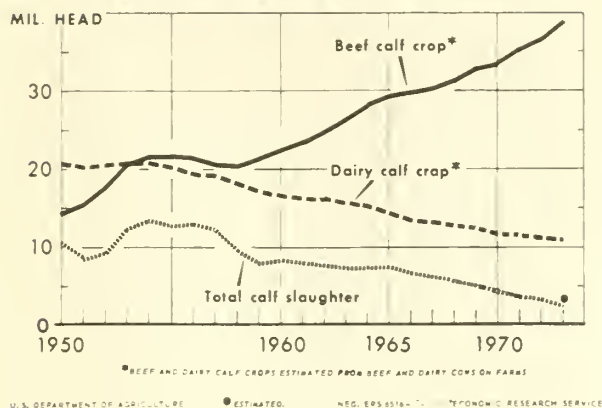
Utility cow prices per 100 pounds, Omaha

Month	1970	1971	1972	1973
	Dollars	Dollars	Dollars	Dollars
January . . . . .	20.93	19.98	22.61	26.67
February . . . . .	22.18	20.98	23.80	31.43
March . . . . .	23.24	22.03	24.73	33.90
April . . . . .	23.23	21.48	24.70	33.59
May . . . . .	22.64	22.30	25.51	34.26
June . . . . .	22.58	22.03	26.00	33.09
July . . . . .	20.85	21.68	26.22	34.21
August . . . . .	20.48	21.72	26.18	37.56
September . . . . .	21.13	21.84	26.57	34.58
October . . . . .	20.84	22.30	26.19	33.68
November . . . . .	19.04	21.45	24.98	
December . . . . .	18.77	21.64	25.02	
Average . . . . .	21.32	21.62	25.21	

## Calf Slaughter Declines

Calf slaughter is down sharply again this year, 27 percent below a year ago in the first 10 months. It will continue low this fall. Less dramatic reductions in calf slaughter are expected in 1974. Calf slaughter has dropped two thirds during the past decade.

## CALF CROPS AND CALF SLAUGHTER



### Exports of Cattle To Canada Large

U.S. exports of slaughter cattle to Canada rose sharply in August and continued high through November. January-October exports totaled 139.4 thousand head compared with 32.4 thousand a year earlier. Several factors contributed to this unusual development.

U.S. trade with Canada: Beef and veal and live cattle, by months, January-December 1972 and January-October 1973

Year	Beef and veal		Live cattle <sup>1</sup>	
	Exports	Imports	Exports	Imports
	Million pounds	Million pounds	Thousand head	Thousand head
<b>1972</b>				
January .....	2.1	4.3	3.5	6.2
February .....	1.8	4.1	.4	7.2
March .....	2.5	4.2	3.4	20.0
April .....	3.1	4.9	11.5	29.0
May .....	3.4	6.3	8.3	22.9
June .....	2.9	6.5	2.7	22.8
July .....	2.6	5.8	1.1	17.9
August .....	2.3	5.7	.7	10.4
September .....	2.9	4.6	.5	9.9
October .....	2.5	4.5	.3	26.2
November .....	4.9	4.9	17.4	42.4
December .....	3.4	3.8	11.5	12.8
Total <sup>2</sup> .....	34.3	59.6	61.4	227.8
<b>1973</b>				
January .....	3.4	3.4	2.5	12.7
February .....	2.2	3.4	1.5	23.1
March .....	2.6	3.4	3.0	39.6
April .....	1.7	4.2	1.6	43.6
May .....	2.7	5.6	2.5	51.6
June .....	3.6	4.4	3.7	38.7
July .....	2.7	4.6	4.4	21.1
August .....	2.8	14.1	17.1	41.5
September .....	2.4	5.6	39.1	14.1
October .....	5.1	2.7	64.2	22.2
Jan.-Oct.				
1972 .....	26.1	50.9	32.4	172.5

<sup>1</sup>Excluding breeding animals. <sup>2</sup>Totals may not add due to rounding.

Source: Bureau of the Census.

In February this year, Canada suspended the import duty on live cattle, as well as on a number of other items, in response to rising consumer prices. The duty had been 1.5 cents per pound on live cattle and 3 cents on beef. Canadian exports of beef to the United States increased in August, which came mostly from U.S. cattle shipped to Canada for slaughter and then brought back into this country as imported beef, thus circumventing ceiling price regulations. Canada put export controls on pork, beef and other livestock products on August 13. These controls were lifted on September 15 after price ceilings on beef were relaxed in the United States. However, Canadian purchases of U.S. slaughter cattle continued at a high level in response to restricted Canadian slaughter and higher prices in Canada than in the U.S. In response to this heavy movement, Canada reimposed import duties on live cattle and beef on September 22. October shipments from the United States were equal to approximately 30 percent of normal Canadian monthly slaughter.

On November 2 Canada added an import surtax of 3 cents per pound for live cattle and 6 cents per pound for most beef imports. The import surtax on beef does not apply to frozen beef imports to Canada which come primarily from New Zealand and Australia. Duties on live hogs and pork also remain suspended.

Following the imposition of the surtax movement of live cattle to Canada slowed. During the first 2 weeks in November, imports of live cattle by Canada totaled 24 thousand head compared with 31 thousand during the preceding 2 weeks. Also, fed cattle prices on Canadian markets advanced about \$3 per 100 pounds following the November 2 action.

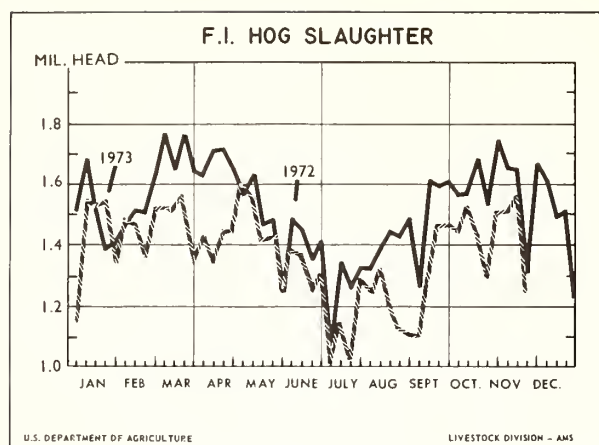
## HOGS

Although up 18 percent from the summer, hog slaughter this fall is running well below last year's level, thus extending the decline in pork production that began in the fall of 1971. This lower slaughter level is expected to continue well into 1974. Barrow and gilt prices have shown considerable stability this fall, averaging around \$41 per 100 pounds. This is down from the high \$50's in the summer but still \$13 above a year ago. Hog prices will continue strong this winter and remain above year-earlier levels through next spring as output continues reduced.

### Remember 1973

This past summer, hog prices approached \$60 per 100 pounds, a price unlikely to be reached again for a long time. Commercial hog slaughter January through October was down 10 percent and pork production was off 7 percent. Market disturbances this year, beginning with the consumer boycott in early April and climaxed by the lifting of ceilings on





pork prices in July while cattle were being withheld from the market awaiting the end of the beef price ceiling, served to bring about a huge rise in hog prices in the summer.

Summer demand for pork was boosted as supplies of beef were short relative to year-earlier and first-half levels. Barrow and gilt prices advanced \$19 in 6 weeks to top \$58 at Omaha by mid-August while supplies dropped 8 percent below a year earlier and 10 percent from spring. Hog prices dropped off again during the next 6 weeks by about the same amount as the increase. As the field harvest in the Corn Belt got well under way in October, slaughter again dipped and prices stayed close to \$42.

Hogs prices per 100 pounds, 7 markets<sup>1</sup>

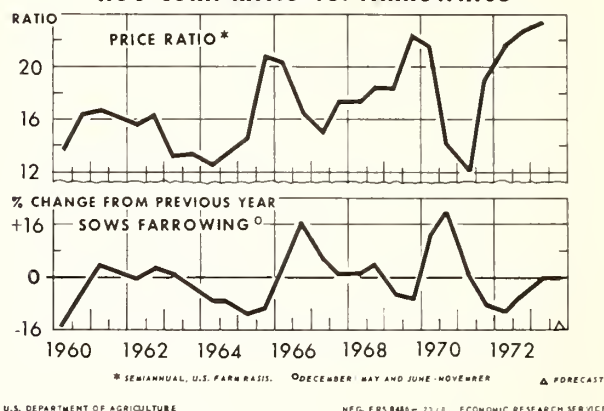
Month	Barrows and gilts			Sows		
	1971	1972	1973	1971	1972	1973
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Jan. ....	16.25	24.84	32.51	12.74	20.41	26.32
Feb. ....	19.43	25.61	36.23	16.68	22.90	31.22
Mar. ....	17.13	23.56	38.13	15.28	21.43	34.47
Apr. ....	16.19	22.89	35.56	14.47	20.89	32.33
May ....	17.43	25.32	35.89	14.84	22.12	32.46
June ....	18.38	26.74	38.55	15.07	22.42	33.87
July ....	19.84	28.57	46.64	15.86	23.59	40.56
Aug. ....	19.05	28.86	56.68	15.77	25.22	50.62
Sept. ....	18.91	29.10	43.79	16.08	25.92	40.34
Oct. ....	19.80	28.09	42.12	16.95	25.05	37.66
Nov. ....	19.39	27.79		16.32	23.04	
Dec. ....	20.98	30.78		16.26	24.26	
Av. ....	18.45	26.76		15.54	23.26	

<sup>1</sup> Average for all weights at Midwest markets.

Numerous factors are related to the reduced hog supplies this year and the cautious prospects for future output. A prime factor is that producers have been unwilling to expand production in the face of high feed costs and other increasing expenses. For example, Omaha corn prices advanced from \$1.50 per bushel in January to \$2.71 in August, an increase of 80 percent. Perhaps almost as significant, prices of high protein hog feed increased about 60 percent

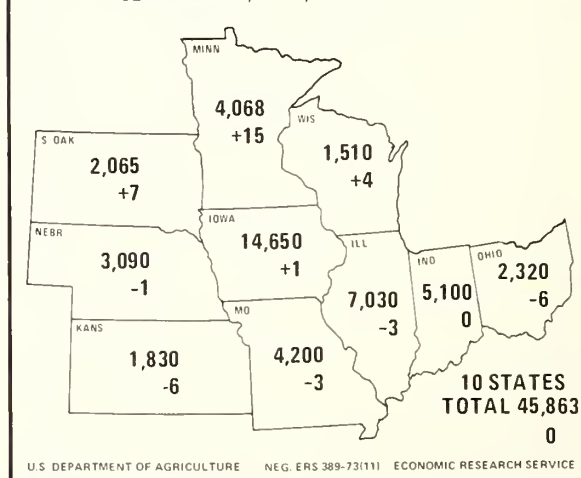
during the same period. Also, expansion of commercial hog production facilities were discouraged by record high capital costs and high interest rates. Thus, many producers apparently shelved plans they had last spring to increase their production capacity, since modern confinement facilities for hog production raise capital requirements and increase the proportion fixed costs are of total costs.

### HOG-CORN RATIO VS. FARROWINGS



The 1972 fall pig crop, which provided the bulk of spring 1973 marketings, was down 6 percent. The 1973 spring pig crop indicated a continued reduction of 2 percent. But second half 1973 marketings are down substantially more than the reduction in the spring pig crop would indicate. This may be partly due to an effort by producers to reduce rapidly advancing feed costs by altering feeding practices and feed rations. Greater use of pastures and roughage and a reduced proportion of high protein feed may be slowing gains and delaying marketings.

### HOGS AND PIGS ON FARM IN 10 CORN BELT STATES AND PERCENT CHANGE FROM PREVIOUS YEAR SEPTEMBER 1, 1973, THOUSAND HEAD



Fourth quarter 1973 hog slaughter will total well below 1972. The September 1 Hogs and Pigs report

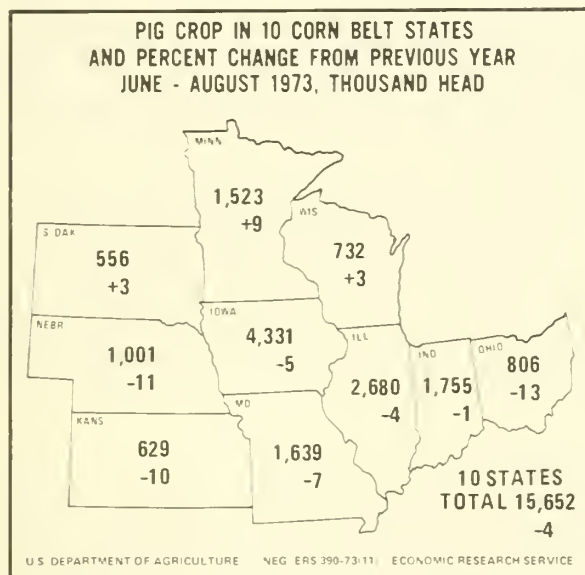
showed about the same number of hogs in the 10 major hog production States as a year ago. Very low slaughter rates experienced early this fall when the crop harvest was underway in the Corn Belt, will not be made up by increases in slaughter rates during December. On balance, October-December pork production will likely be off about 5-7 percent.

Barrow and gilt prices at 7 markets this fall have been generally stable, averaging near \$41 in October and November. This is \$12 above last fall's \$29. Prices will likely rise into winter.

Feeder pig prices (40-60 lb.) are down considerably from a summer high of near \$49.50 in Southern Missouri, generally reflecting the movement of butcher hog prices. The mid-November price of \$38 is still \$10 above last year indicating short-term slaughter hog price optimism and an increased demand for the smaller pig crop.

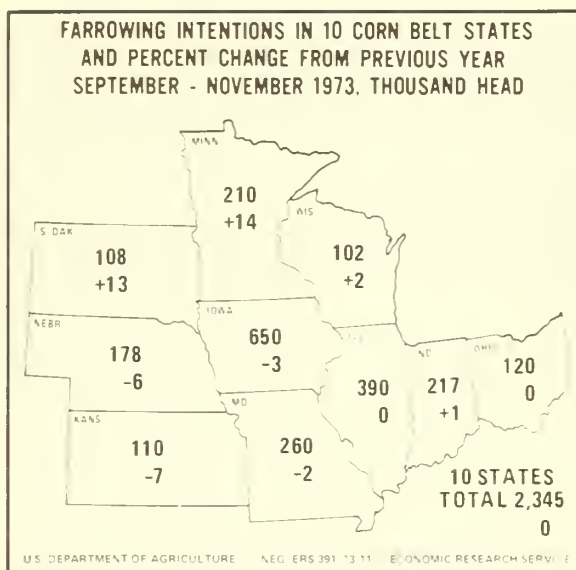
### Output to Lag in First Half 1974

First half 1974 hog slaughter and pork production will probably continue to lag year-earlier levels. The bulk of marketings early next year will come from the fall pig crop. The 10 States June-August pig crop has been reported at 4 percent below last year. Intentions for farrowings during September-November showed no change from a year earlier. Thus, if pigs weaned



per sow in September-November, turn out near the year-earlier average, the net change in the total fall pig crop will be small. Actual farrowings have lagged earlier intentions for more than a year, and the number of pigs saved per litter has trailed year-earlier rates since late 1972.

Delayed marketings and changes in feeding rations will probably play less of a role this winter than they did last summer and this fall. Corn Belt



States will not have the pasture option for hogs in the winter, and corn and protein feed prices are down from summer. Protein use may pick up and weight-gaining efficiency improve. However, rates of gain are not expected to reach previously normal levels until later in 1974. Farmers probably will change gradually back to more normal feeding schedules, just as they shifted slowly into the ones they now are using.

As a result of lower marketings, hog prices will rise in the winter from fall levels. A strengthening cattle market this winter, as the effect of reduced cattle placements begins to show up in smaller slaughter, will also add strength to the hog market. Hog prices may hold relatively steady in the spring even though cattle prices dip. Hog slaughter will then be below winter levels.

### Second Half of 1974

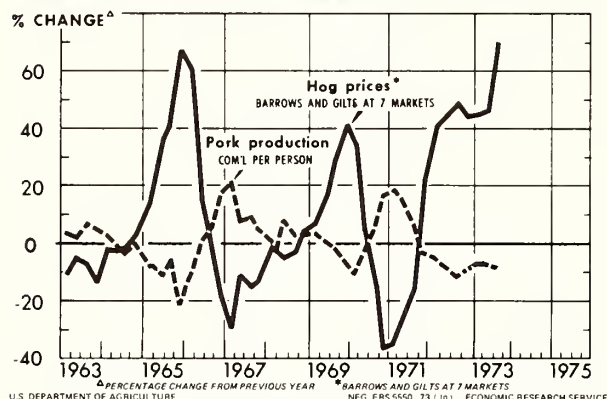
Preliminary reports of farrowing intentions in the 10 Corn Belt States indicate little change from 1973 is planned for the December-February pig crop. A top price of nearly \$60 for hogs last summer and subsequent price fluctuations have not encouraged firm commitments for either expansion or contraction. Not many hogs were sold on the peak market in mid-August and during periods of rapid market gyrations, hog prices changed as much as \$5 to \$8 from one day to the next at some markets. This kind of wild market, even though running at high levels, doesn't provide much confidence for planning future production. Until producers believe that relative stability has returned in hog prices and production costs, they are unlikely to show much interest in raising more hogs.

However, something that will provide encouragement to increase production is a yearly



average price for 1973 for barrows and gilts of \$40, \$14 above 1972. This is more than double the \$18.50 average of 1971. As hog prices rise in the winter, and if feed prices ease some by then, producers might be encouraged to increase the number of sows bred. However, any expansion won't show up as increased slaughter until late in 1974.

### CHANGES IN HOG PRICES AND PORK PRODUCTION



It all adds up to a relatively firm hog market next year.

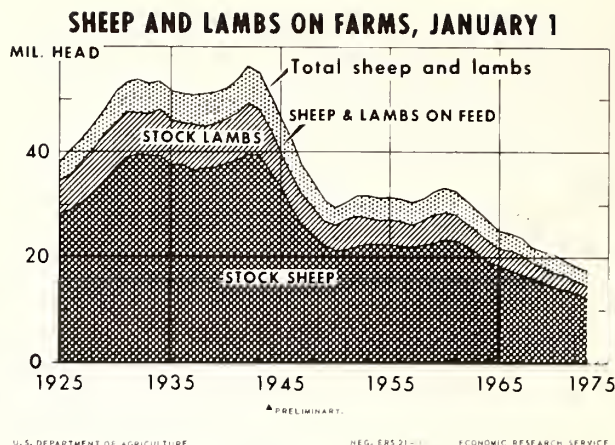
Foreign purchases of U.S. pork became important to domestic hog prices earlier this year, but long-term foreign demand remains elusive. As worldwide pork production increases, foreign demand for U.S. pork may fluctuate, but cannot be counted on to significantly strengthen domestic prices.

## SHEEP AND LAMBS

### More Inventory Decline

This is the 14th consecutive year that sheep and lamb numbers have dropped. Sheep numbers declined at an average of 4 percent annually from 1960 to 1970. Since then, the annual loss has accelerated. The beginning inventory this year totaled 17.7 million, down 5 percent from a year earlier and only about half the number that were on farms and ranches on January 1, 1960, the most recent peak.

In the early 1960's lamb slaughter was large in relation to inventories, lamb prices were low, and sheep numbers declined. In general, meat animal prices have strengthened since the mid-1960's and lamb prices have shared in the general rise. More recently, the wool market has advanced substantially, but industry stabilization has not occurred. This year, lamb prices failed to share fully in the upward movement of slaughter livestock prices, particularly during the summer. This surely added to the discouragement sheep producers have felt for some time.



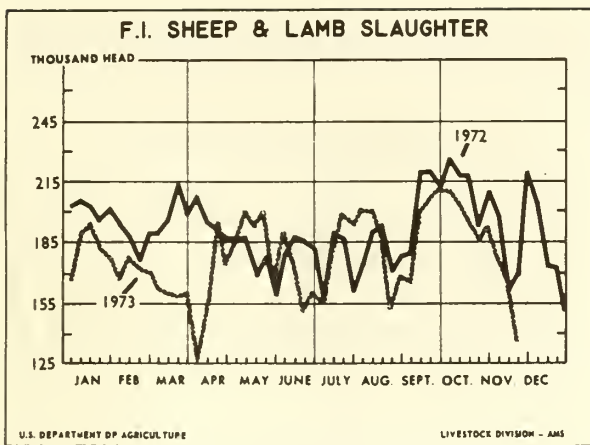
The many factors that have contributed to the decline in sheep numbers have often been enumerated: (1) scarcity of experienced labor, (2) high costs of production, (3) rising predator population, (4) reductions in use of public lands for grazing, and (5) a general lack of enthusiasm among younger producers for sheep production. More popular alternatives than raising sheep on higher quality pasture land throughout the country have also helped accelerate the liquidation rate in the sheep industry. Cattle raising has made deep inroads on such lands.

However, despite the negative aspects associated with sheep production, a number of producers throughout the country persist in raising sheep despite conditions that have crowded a great many out of the business. Realistically, however, we will likely see some further downward adjustments before stability is reached.

Sheep and lamb slaughter during January-October was down 6 percent. Even if slaughter rates this fall continue below last year as expected, the decline in the inventory this year will probably be as large or larger than in 1972. Future reductions may be smaller, but sheepmen will probably continue cutting back in 1974, particularly owners of farm flocks in the 35 Native States.

### Slaughter Decline to Continue

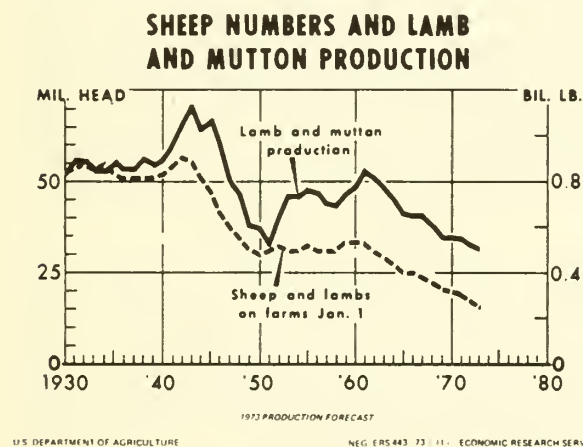
Weekly slaughter rates rose above year-earlier levels for a few weeks in the spring and again in the summer. But slaughter has been running under a year earlier since late August and is expected to continue down this fall and winter. Smaller winter supplies will reflect fewer lambs for feeding this fall. Summer slaughter was near year-earlier levels principally because a larger proportion of lambs were going direct to slaughter from grass, thereby reducing fall feeder supplies. Spring slaughter next year will continue below April-June this year because the new (October-December) lamb crop will be smaller than last year's new crop. There were 6



percent fewer ewes on farms last January 1 in the 13 Western lamb producing States.

In the second half, slaughter is expected to continue under 1973 levels because of fewer lambs produced in the remaining States. There were 7 percent fewer ewes on farms and ranches in these States last January 1 than on that date a year earlier.

Some slowing of the downtrend in sheep numbers may occur in 1974. Lamb prices in 1973 reached the highest levels on record. Also, wool prices continued at higher levels, averaging nearly 2½ times the previous year and the highest since 1951. If lamb and wool prices average near or above 1973 levels next year, producers may be encouraged to slow the liquidation rate. A lower cattle market might induce some producers to stay in the sheep business, particularly in the West where operations often are shifted from sheep to cattle when sheep operators sell out or reduce their breeding herds.



### Strong Prices in Prospect

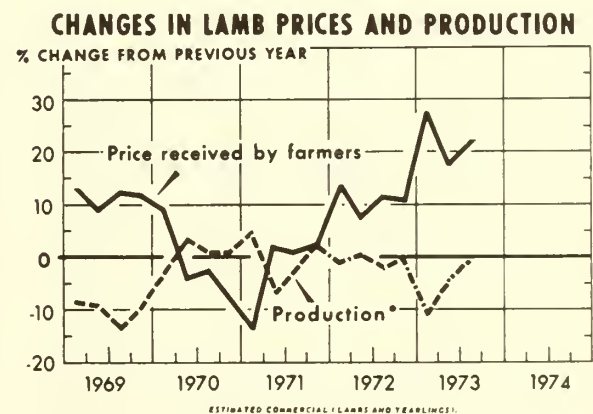
Choice slaughter lambs during January-October averaged about \$6 higher than last year at most markets. In mid-November they brought about \$34 per 100 pounds, at Sioux Falls \$7 above a year ago. San Angelo slaughter lambs have been selling at a

Choice lamb prices per 100 pounds, San Angelo

Month	Slaughter lambs			Feeder lambs		
	1971	1972	1973	1971	1972	1973
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
Jan. ....	24.06	27.19	35.75	24.00	27.69	34.30
Feb. ....	24.12	28.69	39.12	24.75	28.38	39.06
Mar. ....	28.05	32.00	43.17	28.05	32.25	39.19
Apr. ....	29.06	31.12	39.50	27.44	32.00	40.75
May ....	29.69	33.75	36.70	26.76	32.55	36.05
June ....	30.05	32.88	38.46	25.65	29.81	35.31
July ....	29.06	33.31	37.31	24.69	29.88	34.50
Aug. ....	28.12	31.52	39.42	25.75	29.70	38.40
Sept. ....	25.70	29.44		24.95	29.56	35.06
Oct. ....	26.06	28.50	36.00	25.19	29.38	35.65
Nov. ....	26.00	28.52	37.50	26.44	30.45	36.67
Dec. ....	25.94	30.42		26.69	31.25	
Av. ....	27.16	30.70		25.86	30.24	

<sup>1</sup> Shorn.

premium of about \$2 above other markets after no slaughter lamb sales were reported from late August through early October. Lamb prices are expected to show some late winter advance. And in addition to the normal seasonal shift in the type of slaughter lambs marketed in late winter, smaller supplies of lamb and a strong fed cattle and hog market should give the lamb market a boost during that period. In the spring, prices will probably decline as they usually do. A weak fed cattle market at that time will also exert downward pressure on the lamb market.



### Feeder Supplies Limited

The supply of feeder lambs is smaller this fall than last. The 1973 lamb crop was 9 percent smaller than the year before. Also, a higher proportion of lambs went to slaughter off grass this past summer, thus reducing the supply even further.

Feeder lamb prices have been running below slaughter lambs this fall in contrast to a year ago when feeder prices were higher than slaughter lambs. High feed costs and the lack of response in the lamb markets to high slaughter livestock prices in the



summer have discouraged lamb feeders. Thus, any late winter price advance may be less than the expected rise in slaughter lamb prices.

## MEAT SITUATION AND PRICES

Per capita consumption of red meat for 1973 is expected to drop about 13 pounds below the 189 pounds consumed last year. Beef consumption will be down 6 pounds from last year's 116 pounds and pork will decline almost 6 pounds from last year's 67 pounds. Veal and lamb will also show declines, continuing a trend of several years. These lower consumption levels reflect an expected decline of 6 percent in red meat output.

Meat consumption by quarters<sup>1</sup>

Year	First	Second	Third	Fourth	Total
	Pounds per person	Pounds per person	Pounds per person	Pounds per person	Pounds per person
<b>Beef</b>					
1969 .....	27.2	26.7	28.6	28.3	110.8
1970 .....	28.3	27.9	29.0	28.5	113.7
1971 .....	27.7	28.1	29.3	27.9	113.0
1972 .....	28.1	28.9	29.3	29.7	116.0
1973 <sup>2</sup> .....	27.9	26.2	26.8	28.9	109.8
<b>Veal</b>					
1969 .....	0.9	0.8	0.8	0.8	3.3
1970 .....	.8	.7	.7	.7	2.9
1971 .....	.7	.6	.7	.7	2.7
1972 .....	.6	.5	.5	.6	2.2
1973 <sup>2</sup> .....	.5	.4	.4	.5	1.8
<b>Pork</b>					
1969 .....	17.0	16.0	15.5	16.5	65.0
1970 .....	15.4	15.6	16.3	19.1	66.4
1971 .....	18.3	17.8	18.0	18.9	73.0
1972 .....	17.7	16.7	15.8	17.2	67.4
1973 <sup>2</sup> .....	16.0	15.4	14.1	16.0	61.5
<b>Lamb &amp; Mutton</b>					
1969 .....	0.9	0.8	0.9	0.8	3.4
1970 .....	.9	.9	.8	.7	3.3
1971 .....	.8	.8	.8	.7	3.1
1972 .....	.8	.9	.9	.7	3.3
1973 <sup>2</sup> .....	.7	.7	.7	.7	2.8
<b>Red Meat</b>					
1969 .....	46.0	44.3	45.8	46.4	182.5
1970 .....	45.4	45.1	46.8	49.0	186.3
1971 .....	47.5	47.3	48.8	48.2	191.8
1972 .....	47.2	47.0	46.5	48.2	188.9
1973 <sup>2</sup> .....	45.1	42.7	42.0	46.1	175.9

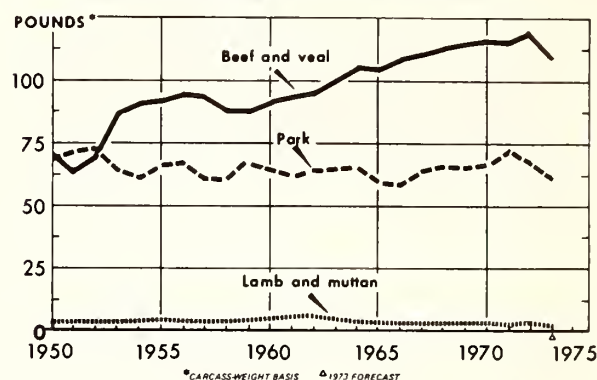
<sup>1</sup> Total consumption including farm, 50 States. <sup>2</sup> Preliminary.

Third quarter consumption of red meat was the lowest in recent years as meat production dropped 10 percent from July-September 1972.

Fall consumption is expected to be 10 percent greater than summer but still 4 percent below last fall. Fourth quarter beef consumption per person is expected to be up 2 pounds from the 27 pounds consumed in the summer but still under last fall. Pork consumption also will be up 2 pounds from July-

September but about 1 pound under last year. Veal, lamb, and mutton consumption will not change much from the summer and will be about the same as last fall.

## MEAT CONSUMPTION PER PERSON



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NEG. ERS 442 73 (11) ECONOMIC RESEARCH SERVICE

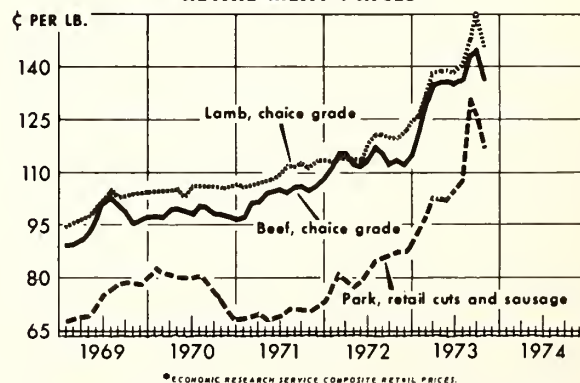
## Retail Prices Turn Downward

Very low levels of meat production during the summer produced record high retail prices in August and September. Since then, seasonal increases in meat supplies and declining live animal prices have begun to show at the retail counter.

The composite retail price of Choice beef rose from \$1.22 a pound in January to \$1.45 in September, a 19 percent increase. By October the trend had reversed and beef prices slipped to an average of \$1.36 and apparently continued lower in November. This marked the first decline in beef prices since the fall of 1972. Declining prices are expected to continue through the end of 1973.

Lower beef production early in 1974 may result in firming retail prices in the winter. As beef production shows significant increases next spring and summer, retail prices may decline from winter levels. After the removal of price controls on pork in July, the composite retail price of pork rose 22 percent to a \$1.32 average in August. This was almost 40 percent above

## RETAIL MEAT PRICES\*



\*ECONOMIC RESEARCH SERVICE COMPOSITE RETAIL PRICES.

U.S. DEPARTMENT OF AGRICULTURE

NEG. ERS 3210-73 (11) ECONOMIC RESEARCH SERVICE

January. The high August price was a result of low supplies of pork and beef; beef supplies were short in part because producers withheld cattle from the market awaiting the end of beef price ceilings—originally scheduled to be September 12. When beef again became available in larger quantities retail pork prices began to decline, reaching about \$1.17 in October. Most of the initial price drop was in fresh pork cuts which offset

increases in September for cured hams, picnics, sausage, and bacon. After that, prices of all cuts declined.

Downward pressure will be exerted on retail pork prices through this fall as production will be up more than 15 percent from the summer level. As pork production lags through the first half of 1974, however, retail pork prices are expected to stabilize and remain well above early 1973 prices.

Table 2.—Average retail price of meat per pound, United States, by months, 1968 to date

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
Beef, choice grade													
1968 .....	84.3	85.1	85.6	85.6	85.8	85.8	87.1	87.0	88.4	87.7	88.1	88.5	86.6
1969 .....	89.5	89.6	90.9	93.3	97.8	101.9	102.4	101.1	99.1	95.2	96.5	96.9	96.2
1970 .....	97.5	97.3	99.4	99.9	99.4	98.5	100.7	100.4	98.7	97.9	97.6	96.5	98.6
1971 .....	97.2	101.3	102.2	104.0	104.8	105.7	104.7	105.7	105.9	105.1	106.3	108.5	104.3
1972 .....	111.5	115.8	115.8	112.0	111.4	113.5	117.2	115.8	112.9	112.8	112.3	114.6	113.8
1973 .....	122.1	130.3	135.3	136.0	136.0	135.5	136.3	144.2	144.9	136.0			
Veal, retail cuts													
1968 .....	99.8	99.2	100.0	102.0	100.0	102.5	101.7	101.4	101.9	101.1	101.9	100.9	101.0
1969 .....	102.5	103.7	104.6	107.5	108.6	112.5	114.0	115.0	115.1	115.2	114.6	116.3	110.8
1970 .....	117.2	119.3	120.8	123.3	123.9	124.9	125.7	126.6	127.0	127.4	127.6	127.9	124.3
1971 .....	128.9	129.5	130.8	133.2	134.2	135.4	139.3	140.2	140.6	141.4	141.9	142.4	136.5
1972 .....	142.8	148.6	149.7	151.0	151.8	154.3	156.5	157.4	157.7	158.5	159.5	160.1	154.0
1973 .....	162.2	168.5	175.8	179.0	179.0	178.7	180.1	186.2	184.3	185.9			
Pork													
1968 .....	65.4	66.7	67.1	66.3	66.7	67.8	69.4	69.0	68.8	67.8	67.1	67.0	67.4
1969 .....	67.9	68.6	69.0	69.1	71.6	75.0	76.9	78.3	78.9	78.7	78.1	79.7	74.3
1970 .....	82.1	81.8	81.4	79.9	80.0	80.0	80.6	79.7	76.7	74.6	70.8	68.4	78.0
1971 .....	68.4	69.4	69.9	68.7	68.2	69.6	71.4	71.6	71.0	71.3	71.4	72.9	70.3
1972 .....	76.3	81.3	79.4	78.2	79.4	82.0	85.6	86.0	86.6	87.5	87.2	88.5	83.2
1973 .....	94.1	97.1	103.0	102.7	102.4	104.1	107.5	131.5	126.3	117.1			
Lamb, Choice grade													
1968 .....	89.8	90.4	92.0	92.5	93.3	93.7	94.5	93.6	93.1	94.5	94.2	93.5	92.9
1969 .....	94.5	95.9	96.4	97.1	100.1	101.8	104.4	102.9	103.4	103.9	103.7	104.8	100.7
1970 .....	104.8	104.8	104.7	105.6	103.9	105.7	106.0	106.3	106.3	105.9	105.9	106.4	105.5
1971 .....	105.9	106.5	107.0	107.5	108.2	109.7	111.7	111.8	112.9	111.2	113.1	113.4	109.9
1972 .....	113.0	115.1	115.2	115.6	115.2	118.4	120.6	120.7	120.1	120.5	121.4	124.3	118.3
1973 .....	125.6	131.3	138.5	139.0	138.9	138.1	140.5	148.7	155.3	146.3			

## Foreign Trade in Meat

January-September meat imports were down 6 percent from a year earlier. Most of the reduction was in mutton. Beef, veal and lamb imports were also down, but pork imports were up slightly. Exports were up 72 percent from last year. Beef and veal exports were up 40 percent, and pork exports were up 91 percent.

Currency adjustments this year have been a significant factor on the world scene, affecting the U.S. foreign trade picture by making foreign products relatively more expensive to buy, and our own prices have become more competitive in world markets. These factors influenced U.S. foreign trade of meat, by increasing our exports and holding down imports and helped strengthen U.S. meat prices.

Beef and veal imports for January-September were down 2 percent from last year but could be up rather sharply in the fourth quarter. Australia, the largest supplier, has reduced shipments by 6 percent as more of its beef has gone to Japan. New Zealand, the second largest supplier, has increased shipments to the United States by 11 percent because of larger cow slaughter. Imports from the South and Central American countries have increased.

Beef production is recovering in the European Community and in its primary import supplier - Argentina. Therefore Europe will not be as attractive a market for Australian beef in 1974 as it has been for the past two years. This factor, combined with increasing Australian production could lead to larger exports to the United States and Japan.

Table 3.—Meat subject to U.S. import quota restriction: Product weight of imports by months, average 1959-63, 1964-73

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>
1959-63 average	47.3	49.6	57.5	54.3	48.5	58.6	67.1	84.1	76.1	61.6	56.1	61.4	722.2
1964 . . . . .	87.2	44.9	68.9	61.4	51.1	98.1	43.7	79.5	49.6	46.4	55.7	53.4	739.9
1965 . . . . .	28.2	34.5	68.7	32.4	52.3	41.9	58.5	59.9	62.2	64.4	57.2	53.7	613.9
1966 . . . . .	51.4	60.3	49.4	63.3	52.0	100.2	61.4	87.1	91.5	79.7	61.1	66.0	823.4
1967 . . . . .	77.4	58.5	61.9	58.8	51.5	69.6	88.7	92.2	89.8	91.8	82.3	72.4	894.9
1968 . . . . .	80.7	72.6	64.1	78.4	56.1	105.1	86.4	108.6	115.5	102.1	95.8	35.6	1,001.0
1969 <sup>1</sup> . . . . .	41.9	50.4	136.1	90.0	80.5	85.7	107.1	141.8	121.4	108.4	51.4	69.4	1,084.1
1970 <sup>1</sup> . . . . .	124.5	100.7	112.0	88.7	62.1	93.4	110.0	113.0	107.6	89.3	79.3	89.8	1,170.4
1971 <sup>1</sup> . . . . .	83.4	65.1	88.3	86.2	76.8	101.0	94.4	104.9	158.6	80.4	63.2	130.3	1,132.6
1972 <sup>1</sup> . . . . .	86.9	80.8	75.4	105.4	107.9	106.4	106.8	164.6	163.8	145.1	119.0	93.4	1,355.5
1973 . . . . .	106.2	98.4	88.3	97.9	113.0	91.5	105.9	153.7	110.3	150.0			

<sup>1</sup> Rejections for calendar year 1969 equaled 13.5 million pounds, 17.4 million pounds for 1970, 21.0 million pounds for 1971, and 17.8 for 1972.

Table 4.—U.S. meat imports and exports and percentage comparisons (carcass weight), 1972 and 1973

Months	Beef and veal			Lamb and mutton <sup>1</sup>			Pork			Total meat		
	1972	1973	Change	1972	1973	Change	1972	1973	Change	1972	1973	Change
	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Pct.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Pct.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Pct.</i>	<i>Mil. lb.</i>	<i>Mil. lb.</i>	<i>Pct.</i>
IMPORTS												
January . . . . .	143	167	+16	3	4	+33	63	44	-30	209	215	+3
February . . . . .	130	148	+14	5	7	+52	45	39	-13	179	194	+8
March . . . . .	120	128	+7	6	8	+34	50	37	-25	176	173	-1
April . . . . .	144	141	-2	27	5	-81	44	48	+9	215	194	-10
May . . . . .	152	163	+7	27	7	-73	36	48	+32	215	218	+1
June . . . . .	157	139	-12	14	3	-75	31	45	+43	202	187	-7
July . . . . .	162	160	-1	16	5	-71	41	38	-7	219	203	-7
August . . . . .	229	227	-1	24	4	-81	37	42	+14	290	273	-6
September . . . . .	230	169	-26	15	2	-86	31	38	+23	276	209	-24
October . . . . .	214			5			45			264		
November . . . . .	177			3			46			226		
December . . . . .	138			3			40			181		
Total . . . . .	1,996			148			509			2,653		
EXPORTS												
January . . . . .	4.03	6.50	+61	0.22	0.20	-10	3.28	6.10	+86	7.53	12.80	+70
February . . . . .	3.89	5.04	+30	.11	.20	+73	3.53	12.14	+244	7.53	17.38	+131
March . . . . .	4.93	6.83	+39	.16	.25	+61	4.29	33.55	+681	9.38	40.63	+333
April . . . . .	5.45	6.37	+17	.10	.22	+146	10.43	31.15	+199	15.98	37.74	+136
May . . . . .	5.70	7.99	+40	.23	.17	-23	19.40	29.72	+53	25.33	37.88	+50
June . . . . .	5.04	8.51	+69	.12	.16	+35	13.73	14.54	+6	18.89	23.21	+23
July . . . . .	4.78	6.93	+45	.19	.22	+13	6.48	5.68	-12	11.45	12.83	+12
August . . . . .	4.48	6.76	+51	.21	.28	+29	5.39	4.10	-24	10.08	11.14	+11
September . . . . .	4.73	5.22	+10	.11	.21	+88	8.32	6.03	-28	13.16	11.46	-13
October . . . . .	5.01			.22			17.58			22.81		
November . . . . .	7.45			.20			7.18			14.83		
December . . . . .	6.57			.15			6.81			13.53		
Total . . . . .	62.06			2.02			106.42			170.50		

<sup>1</sup> Includes goat meat.



Imports through September of mutton and goat were down 78 percent and lamb imports were down 31 percent. Domestic prices of these commodities have been relatively low, thus discouraging exporting countries from selling in the U.S. market. This condition may change little in 1974.

Exports through September ran higher than last year for all classes of meat. Beef and veal exports were up 40 percent, pork up 91 percent, and goat, lamb and mutton shipments were up 32 percent. This was in addition to increased live exports in all classes.

However, while red meat exports ran substantially above last year through September, the volume involved was small, accounting for only 1 percent of total production.

### **Cold Storage**

Cold storage supplies of meat dropped during the summer but began to increase again in October and November. Meat stocks dipped from 706 million pounds at the beginning of May to 508 million at the beginning of September, with both beef and pork contributing to the drop. By November stocks had increased to 601 million pounds. This was still 6 percent below last November.

Beef supplies in cold storage have been declining for several months, dropping from 360 million pounds in May to 245 million in October. By November, stocks had advanced to 282 million pounds. Pork supplies were also reduced through September, but not nearly as much as beef. By October cold storage holdings increased to 198 million pounds, up from year-earlier levels of 192 million pounds. There was 6 percent more pork in cold storage on November 1 than a year earlier.

### **Meat Substitutes**

As meat prices soared this summer consumers began to seek substitutes and alternative ways to realize more for their meat marketing dollar. One way, although not new, was through increased purchases of textured vegetable protein-extended ground beef. A 75 percent hamburger-25 percent soy

mix would sell for 15-20 cents per pound less than the pure ground beef. In some parts of the country a substantial proportion of the ground beef sold this summer was reported to be of the protein-extended variety. These sales perhaps helped rather than harmed the meat industry by holding more purchasers to red meat who may otherwise have turned to altogether different sources of protein. In general, textured vegetable protein products are becoming more commonplace at the retail store and their consumption is no longer confined to vegetarians or people on restricted diets.

### **Standardized Labeling**

Representatives of the meat industry announced in September a new voluntary program encouraging meat retailers to adopt a new program which will standardize identification and labeling of meat products throughout the country. The new program is the recommendation of the Industrywide Cooperative Meat Identification Standards Committee, composed of meatpackers, processors, distributors, grocers, and trade organizations with the assistance of USDA and the White House Office of Consumer Affairs.

Under this new program, names of the various cuts of meat have been reduced from about 1,000 to 300. For example, cuts once known as Spencer Steak, Delmonico Steak, Fillet Steak, Beauty Steak, or Boneless Rib Eye Steak now are standard Beef Rib Eye Steaks. The same principle applies to all cuts from beef, veal, lamb, and pork. Fanciful, regional, and misleading names would be replaced under this suggestion for the benefit and convenience of consumers and retailers alike.

The standardized label will show first the species of meat (beef, pork, lamb or veal). Then the primal cut (wholesale) identifies where the meat comes from the animal. Finally the retail cut is identified according to what part of the primal cut it comes from.

The following charts of the National Livestock and Meat Board indicate how the various meat cuts are labeled according to their origin.

## **OUTLOOK CONFERENCE SCHEDULED FOR DECEMBER 17-19, 1973**

The National Agricultural Outlook Conference has been set for December 17 through 19, 1973, at the U.S. Department of Agriculture in Washington, D.C. This year's Conference is about 2 months earlier than usual to give farmers and farm suppliers more time to plan for 1974 food production.

The 1974 outlook for U.S. agriculture and the general economy will receive particular attention at the Conference. The outlook for farm inputs such as fuel, fertilizer, pesticides, and farm equipment will be stressed. Sessions on the 1974 outlook for major commodities will make up an important part of the Conference as usual. The Conference is sponsored by USDA's Economic Research Service, Extension Service, and Agricultural Research Service.

# BEEF CHART

RETAIL CUTS OF BEEF — WHERE THEY COME FROM AND HOW TO COOK THEM

<p>② Boneless Chuck Eye Roast*</p> <p>③④ Chuck Short Ribs</p> <p>② Blade Roast or Steak</p> <p>③ Arm Pot-Roast or Steak</p> <p>③ Boneless Shoulder Pot-Roast or Steak</p> <p>④ Cross Rib Pot-Roast</p> <p>① Beef for Stew</p> <p>① Ground Beef**</p>	<p>② Rib Roast</p> <p>② Rib Steak</p> <p>② Rib Steak, Boneless</p> <p>② Rib Eye (Delmonico) Roast or Steak</p>	<p>①②③ Top Loin Steak</p> <p>② T-Bone Steak</p> <p>③ Porterhouse Steak</p> <p>①②③ Boneless Top Loin Steak</p> <p>②③ Tenderloin (Filet Mignon) Steak or Roast (also from Sirloin 1a)</p>	<p>① Pin Bone Sirloin Steak</p> <p>② Flat Bone Sirloin Steak</p> <p>③ Wedge Bone Sirloin Steak</p> <p>①②③ Boneless Sirloin Steak</p>	<p>③ Round Steak</p> <p>④ Heel of Round</p> <p>③ Top Round Steak*</p> <p>① Rolled Rump*</p> <p>③ Bottom Round Roast or Steak*</p> <p>③ Cubed Steak*</p> <p>③ Eye of Round*</p> <p>③ Ground Beef**</p>
<p><b>CHUCK</b> Braise, Cook in Liquid</p>	<p><b>RIB</b> Roast, Broil, Panbroil, Panfry</p>	<p><b>SHORT LOIN</b> Roast, Broil, Panbroil, Panfry</p>	<p><b>SIRLOIN</b> Broil, Panbroil, Panfry</p>	<p><b>ROUND</b> Braise, Cook in Liquid</p>

<p><b>FORE SHANK</b> Braise, Cook in Liquid</p> <p>① Shank Cross Cuts</p> <p>② Beef for Stew (also from other cuts)</p>	<p><b>BRISKET</b> Braise, Cook in Liquid</p> <p>③ Fresh Brisket</p> <p>③ Corned Brisket</p>	<p><b>SHORT PLATE</b> Braise, Cook in Liquid</p> <p>① Short Ribs</p> <p>①② Skirt Steak Rolls*</p> <p>①② Beef for Stew (also from other cuts)</p> <p>② Ground Beef**</p>	<p><b>FLANK</b> Braise, Cook in Liquid</p> <p>① Ground Beef**</p> <p>① Flank Steak*</p> <p>①② Beef Patties</p> <p>① Flank Steak Rolls*</p>	<p><b>TIP</b> Braise</p> <p>④② Tip Steak*</p> <p>④② Tip Roast*</p> <p>④② Tip Kabobs*</p>
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\*May be Roasted, Broiled, Panbroiled or Panfried from high quality beef.  
 \*\*May be Roasted, (Baked), Broiled, Panbroiled or Panfried










This chart approved by  
**National Live Stock and Meat Board**


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# VEAL CHART

RETAIL CUTS OF VEAL — WHERE THEY COME FROM AND HOW TO COOK THEM

<div> (Large Pieces) ① ② ③ for Stew*</div> <div>— Braise, Cook in Liquid —</div> <div><div> ③ Arm Steak</div><div> ② Blade Steak</div></div> <div>— Braise, Panfry —</div> <div><div> ② ③ Boneless Shoulder Roast</div><div> ③ Arm Roast</div><div> ② Blade Roast</div></div> <div>— Roast, Braise —</div> <div>SHOULDER</div>	<div><div> ④ Boneless Rib Chop</div><div> ④ Rib Chop</div></div> <div>— Braise, Panfry —</div> <div><div> ④ Crown Roast</div><div> ④ Rib Roast</div></div> <div>— Roast —</div> <div>RIB</div>	<div><div> ① Top Loin Chop</div><div> ① Loin Chop</div></div> <div>— Braise, Panfry —</div> <div><div> ① Kidney Chop</div><div> ① Loin Roast</div></div> <div>— Roast —</div> <div>LOIN</div>	<div><div> Cubed Steak**</div><div> ① Sirloin Chop</div></div> <div>— Braise, Panfry —</div> <div><div> ① Boneless Sirloin Roast</div><div> ① Sirloin Roast</div></div> <div>— Roast —</div> <div>SIRLOIN</div>	<div><div><div> ① ③ ④ Cutlets</div><div> ① ③ ④ Rolled Cutlets</div></div><div> Cutlets (Thin Slices)</div><div> ③ ④ Round Steak</div></div> <div>— Braise, Panfry —</div> <div><div> ② Boneless Rump Roast</div><div> ② Rump Roast</div><div> ③ ④ Round Roast</div></div> <div>— Roast, Braise —</div> <div>ROUND (LEG)</div>
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<div>SHANK</div> <div><div> ⑤ Shank</div><div> ⑤ Shank Cross Cuts</div></div> <div>— Braise, Cook in Liquid —</div>	<div>BREAST</div> <div><div> ⑥ Breast</div><div> ⑥ Stuffed Breast</div></div> <div>— Roast, Braise —</div> <div><div> ⑥ Riblets</div><div> ⑥ Boneless Riblets</div><div> ⑥ Stuffed Chops</div></div> <div>— Braise, Cook in Liquid —      — Braise, Panfry —</div>	<div>VEAL FOR GRINDING OR CUBING</div> <div><div> Rolled Cube Steaks* — Braise —</div><div> Ground Veal* — Roast (Bake) Braise, Panfry —</div><div> Patties*</div></div> <div><div> Mock Chicken Legs*</div><div> * City Chicken — Braise, Panfry —</div><div> Choplets*</div></div>
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\*Veal for stew or grinding may be made from any cut


\*\*Cube steaks may be made from any thick solid piece of boneless veal

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# PORK CHART

RETAIL CUTS OF PORK — WHERE THEY COME FROM AND HOW TO COOK THEM




Cubed Steak \*




Pork Cubes

— Braise, Cook in Liquid, —  
Broil




② Blade Steak




② Smoked Shoulder Roll

— Braise, —  
Panfry

Roast (Bake), Cook in Liquid




② Boneless Blade Boston Roast



② Blade Boston Roast

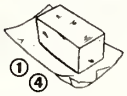
— Braise, Roast —

**BOSTON SHOULDER**



④ Fat Back

Panfry, Cook in Liquid



① ④ Lard

Pastry, Cookies, —  
Quick Breads, —  
Cakes, Frying

① **CLEAR PLATE**  
④ **FAT BACK**



① Blade Chop



② Rib Chop



② Loin Chop



③ Sirloin Chop



Cubed Steak \*



② ③ Butterfly Chop



② Top Loin Chop



③ Sirloin Cutlet

— Braise, Broil, Panbroil, Panfry —



① Country-Style Ribs



① ② Back Ribs



② Smoked Loin Chop



① ② ③ Canadian-Style Bacon

— Roast (Bake), Braise, Cook in Liquid —



① ② ③ Boneless Top Loin Roast



① ② ③ Boneless Top Loin Roast (Double)



② ④ Tenderloin

— Roast (Bake), Broil, Panbroil, Panfry —



① Blade Loin



② Center Loin



③ Sirloin

— Roast —

**LOIN**



① ② ③ Boneless Leg (Fresh Ham)



① ② ③ Sliced Cooked "Boiled" Ham

— Roast — — Heat or Serve Cold —



① ② ③ Boneless Smoked Ham



① ② ③ Canned Ham

— Roast (Bake) —



② Boneless Smoked Ham Slices



② Center Smoked Ham Slice

— Broil, Panbroil, Panfry —



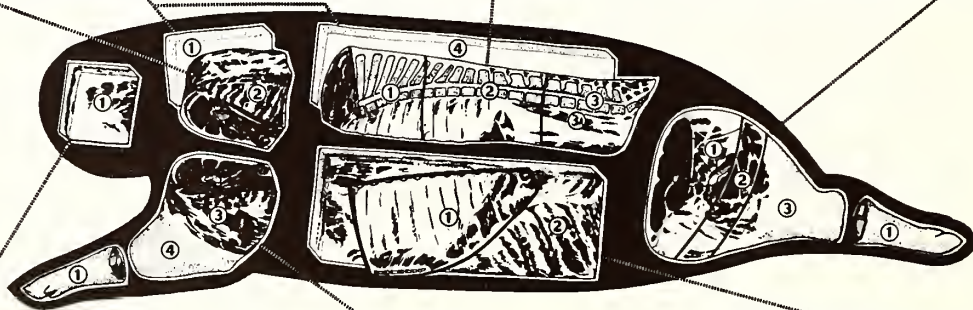
② Smoked Ham, Rump (Butt) Portion



③ Smoked Ham, Shank Portion

— Roast (Bake), Cook in Liquid —

**LEG (FRESH OR SMOKED HAM)**



**JOWL**



① Smoked Jowl


— Cook in Liquid, Broil, —  
Panbroil, Panfry




① Pig's Feet

— Cook in Liquid, Braise —


**PICNIC SHOULDER**




③ ④ Fresh Arm Picnic



③ ④ Smoked Arm Picnic




③ Arm Roast




Ground Pork \*


— Roast (Bake), Panbroil, —  
Panfry




Fresh Hock




Smoked Hock




② ③ Neck Bones



③ Arm Steak



Link



Sausage \*

— Braise, Cook in Liquid — — Cook in Liquid — — Braise, Panfry — — Panfry, Braise, Bake —

① **SPARERIBS** ② **BACON (SIDE PORK)**



① Spareribs



② Slab Bacon



① Salt Pork



② Sliced Bacon

— Bake, Broil, Panbroil, —  
Panfry, Cook in Liquid — — Bake, Broil, Panbroil, —  
Panfry

\*May be made from Boston Shoulder, Picnic Shoulder, Loin or Leg.

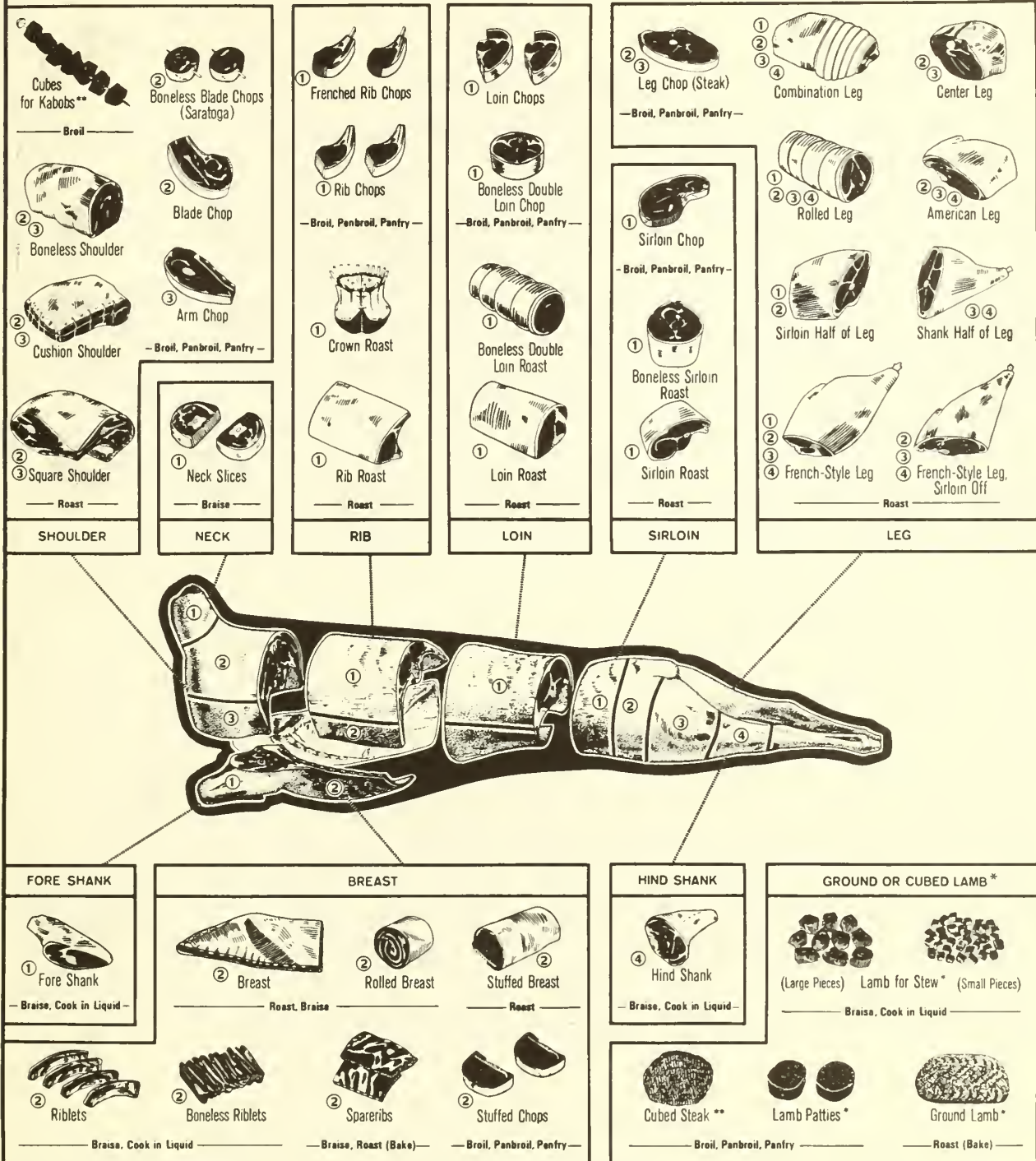
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# LAMB CHART

RETAIL CUTS OF LAMB — WHERE THEY COME FROM AND HOW TO COOK THEM



\* Lamb for stew or grinding may be made from any cut.

\*\*Kabobs or cube steaks may be made from any thick solid piece of boneless Lamb.

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Table 5.—Corn Belt Cattle Feeding

Selected expenses at current rates<sup>1</sup>

Selected Expenses	1972				1973			
	I	II	III	IV	I	II	III	IV
	<i>Dollars per head</i>	<i>Dollars per head</i>	<i>Dollars per head</i>	<i>Dollars per head</i>	<i>Dollars per head</i>	<i>Dollars per head</i>	<i>Dollars per head</i>	<i>Dollars per head</i>
600 lb. feeder steer .....	230.82	241.80	254.76	266.16	304.62	322.44	347.88	
Transportation to feedlot (400 miles) .....	3.84	4.08	4.08	4.32	4.32	4.56	4.56	
Corn (45 bu) .....	48.15	50.40	52.20	55.80	60.75	76.05	104.85	
Silage (1.7 tons) .....	15.56	15.71	15.79	16.90	18.70	21.39	26.59	
30% protein supplement (270 lb.) .....	14.90	15.26	15.74	17.50	21.11	24.25	24.65	
Hay (400 lb.) .....	4.60	4.42	4.23	4.53	5.15	5.00	4.83	
Labor (6 hours) .....	11.70	11.70	12.06	12.06	12.18	12.66	13.08	
Management <sup>2</sup> .....	3.90	3.90	4.02	4.02	4.06	4.22	4.36	
Vet medicine <sup>3</sup> .....	2.00	2.03	2.05	2.10	2.20	2.32	2.41	
Interest on purchase (9 mo.) .....	13.41	14.05	14.80	15.46	19.42	20.56	22.18	
Power, equip, fuel, shelter, depreciation <sup>3</sup> ....	9.25	9.40	9.51	9.73	10.19	10.72	11.15	
Death loss (1% of purchase) .....	2.31	2.42	2.55	2.66	3.05	3.22	3.48	
Transportation & marketing expenses (100 miles) .....	4.78	4.89	4.94	5.04	5.09	5.20	5.25	
Misc. and indirect costs <sup>3</sup> .....	4.00	4.07	4.12	4.21	4.41	4.64	4.83	
Total .....	369.22	384.13	400.85	420.49	475.25	517.23	580.10	
Selling price /cwt required (1050 lb. steer) .....	35.16	36.58	38.19	40.05	45.26	49.26	55.25	
Feed cost per 100 lb. gain .....	18.49	19.06	19.55	21.05	23.49	28.15	35.76	
Current Prices								
Feeder steer (600-700 Kansas City /cwt) .....	38.47	40.30	42.46	44.36	50.77	53.74	57.98	
Corn/(bu) <sup>4</sup> .....	1.07	1.12	1.16	1.24	1.35	1.69	2.33	
Hay /ton <sup>4</sup> .....	23.00	22.08	21.17	22.67	25.75	25.00	24.17	
Corn silage /ton <sup>5</sup> .....	9.15	9.24	9.29	9.94	11.00	12.58	15.64	
30%, Protein supplement/cwt <sup>6</sup> .....	5.52	5.65	5.83	6.48	7.82	8.98	9.13	
Farm Labor /hour <sup>6</sup> .....	1.95	1.95	2.01	2.01	2.03	2.11	2.18	
Interest annual rate .....	7.75	7.75	7.75	7.75	8.50	8.50	8.50	
Transportation rate ( /cwt 100 miles) <sup>7</sup> .....	.16	.17	.17	.18	.18	.19	.19	
Marketing expenses <sup>8</sup> .....	3.10	3.10	3.15	3.15	3.20	3.20	3.25	
Index of prices paid by farmers (1910-14 =100) .....	422	429	434	444	465	489	509	

<sup>1</sup> Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feeders. For individual use, adjust expenses and prices for management, production level and locality of operation.

<sup>2</sup> Assumes one hour at twice the labor rate. <sup>3</sup> Adjusted quarterly

by the index of prices paid by farmers for commodities, services, interest, taxes and wage rates. <sup>4</sup> Average price received by farmers in Iowa and Illinois. <sup>5</sup> Corn silage price derived from an equivalent price of 5 bushels corn and 300 lb. hay. <sup>6</sup> Average price paid by farmers in Iowa and Illinois. <sup>7</sup> Converted from cents/mile for a 44,000 pound haul. <sup>8</sup> Yardage plus commission fees at a midwest terminal market.

Table 6.—Corn Belt Hog Feeding<sup>1</sup>Selected costs at current rates<sup>2</sup>

Selected expenses	1972				1973			
	I	II	III	IV	I	II	III	IV
	<i>Dollars per head</i>	<i>Dollars per head</i>	<i>Dollars per head</i>	<i>Dollars per head</i>	<i>Dollars per head</i>	<i>Dollars per head</i>	<i>Dollars per head</i>	<i>Dollars per head</i>
40 lb. feeder pig .....	25.96	26.27	26.78	26.90	32.94	33.74	41.37	
Corn (11 bu) .....	11.77	12.32	12.76	13.64	14.85	18.59	25.63	
Protein supplement (130 lb.) .....	9.19	9.66	10.08	11.34	15.51	19.53	19.60	
Labor & management (1.3 hrs.) .....	5.07	5.07	5.23	5.23	5.28	5.49	5.67	
Vet medicine <sup>3</sup> .....	1.00	1.02	1.03	1.05	1.10	1.16	1.21	
Interest on purchase (6 mo.) .....	1.01	1.02	1.04	1.04	1.40	1.43	1.76	
Power, equip, fuel, shelter, depreciation <sup>3</sup> ..	2.43	2.47	2.50	2.56	2.68	2.82	2.94	
Death loss 4% of purchase .....	1.04	1.05	1.07	1.08	1.32	1.35	1.65	
Transportation & marketing expenses (100 miles) .....	1.38	1.40	1.42	1.45	1.47	1.49	1.50	
Misc. & indirect costs <sup>3</sup> .....	.25	.25	.25	.26	.27	.28	.29	
Total .....	59.10	60.53	62.16	64.55	76.82	85.88	101.62	
Sale price /cwt required (220 lb. hog) .....	26.86	27.51	28.25	29.34	34.92	39.04	46.19	
Feed cost per 100 lb. gain .....	11.64	12.21	12.67	13.88	16.87	21.18	25.13	
Current Prices								
40 lb. feeder pig (So. Missouri) .....	25.96	26.27	26.78	26.90	32.94	33.74	41.37	
Corn <sup>4</sup> .....	1.07	1.12	1.16	1.24	1.35	1.69	2.33	
29% protein supplement <sup>5</sup> .....	7.07	7.43	7.75	8.72	11.93	15.02	15.08	
Labor and management <sup>6</sup> .....	3.90	3.90	4.02	4.02	4.06	4.22	4.36	
Interest rate (annual) .....	7.75	7.75	7.75	7.75	8.50	8.50	8.50	
Transportation rate ( /cwt. 100 miles) <sup>7</sup> .....	.16	.17	.17	.18	.18	.19	.19	
Marketing expenses <sup>8</sup> .....	1.03	1.03	1.05	1.05	1.07	1.07	1.08	
Index of prices paid by farmers (1910-14=100) .....	422	429	434	444	465	489	509	

<sup>1</sup> Although a majority of hog feeding operations in the Corn Belt are from farrow to finish, relative fattening expenses will be similar. <sup>2</sup> Represents only what expenses would be if all selected items were paid for during the period indicated. The feed rations and expense items do not necessarily coincide with the experience of individual feeders. For individual use, adjust expenses and prices for management, production level, and

locality of operation. <sup>3</sup> Adjusted quarterly by the index of prices paid by farmers for commodities, services, interest, taxes and wage rates. <sup>4</sup> Average price received by farmers in Iowa and Illinois. <sup>5</sup> Average prices paid by farmers in Iowa and Illinois. <sup>6</sup> Assumes an owner-operator receiving twice the farm labor rate. <sup>7</sup> Converted to cents/cwt from cents/mile for a 44,000 pound haul. <sup>8</sup> Yardage plus commission fees at a midwest terminal market.

**Supply and distribution of commercially produced meat, by month, carcass weight,  
January 1973 to date**

Meat and period	Supply			Distribution				
	Production <sup>1</sup>	Beginning stocks	Imports	Exports and shipments	Ending stocks	Military	Civilian consumption	
							Total	Per person <sup>2</sup>
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Pounds
<b>Beef:</b>								
January .....	1,942	367	162	10	380	27	2,054	9.9
February .....	1,672	380	145	9	368	20	1,800	8.7
March .....	1,772	368	126	12	357	23	1,874	9.1
April .....	1,480	357	139	11	360	18	1,587	7.7
May .....	1,823	360	161	13	338	19	1,974	9.5
June .....	1,738	338	138	13	322	20	1,859	9.0
July .....	1,694	322	159	11	299	14	1,851	8.9
August .....	1,659	299	226	12	256	6	1,910	9.2
September .....	1,639	256	167	9	245	24	1,784	8.6
October .....	1,994	245			282			
<b>Veal:</b>								
January .....	36	13	4	1	15	1	36	0.2
February .....	29	15	4	1	15	( <sup>3</sup> )	32	.1
March .....	31	15	2	( <sup>3</sup> )	12	1	35	.2
April .....	24	12	2	1	13	1	23	.1
May .....	27	13	2	1	12	( <sup>3</sup> )	29	.2
June .....	25	12	1	( <sup>3</sup> )	11	1	26	.1
July .....	24	11	1	( <sup>3</sup> )	10	( <sup>3</sup> )	26	.1
August .....	25	10	1	1	8	( <sup>3</sup> )	27	.1
September .....	24	8	2	( <sup>3</sup> )	8	( <sup>3</sup> )	26	.1
October .....	28	8			8			
<b>Lamb &amp; Mutton:</b>								
January .....	46	16	4	1	13	( <sup>3</sup> )	52	0.3
February .....	39	13	7	1	11	( <sup>3</sup> )	47	.2
March .....	40	11	8	( <sup>3</sup> )	11	1	47	.2
April .....	39	11	5	1	13	( <sup>3</sup> )	41	.2
May .....	48	13	7	( <sup>3</sup> )	15	( <sup>3</sup> )	53	.2
June .....	39	15	3	( <sup>3</sup> )	16	3	38	.2
July .....	43	16	5	( <sup>3</sup> )	14	( <sup>3</sup> )	50	.2
August .....	44	14	4	( <sup>3</sup> )	13	( <sup>3</sup> )	49	.2
September .....	41	13	2	1	13	( <sup>3</sup> )	42	.2
October .....	49	13			13			
<b>Pork:</b>								
January .....	1,149	214	44	14	207	11	1,175	5.7
February .....	980	207	39	19	190	9	1,008	4.9
March .....	1,133	190	37	42	242	7	1,069	5.2
April .....	1,033	242	48	42	248	8	1,025	5.0
May .....	1,150	248	48	39	259	8	1,140	5.5
June .....	995	259	45	23	253	8	1,015	4.9
July .....	890	253	38	12	202	6	961	4.7
August .....	973	202	42	11	180	15	1,011	4.9
September .....	929	180	38	13	198	10	926	4.4
October .....	1,152	198			222			
<b>Total Meat:</b>								
January .....	3,173	610	214	26	615	39	3,317	16.1
February .....	2,720	615	195	30	584	29	2,887	13.9
March .....	2,976	584	173	54	622	32	3,025	14.7
Apr. ....	2,576	622	194	55	634	27	2,676	13.0
May .....	3,048	634	218	53	624	27	3,196	15.4
June .....	2,797	624	187	36	602	32	2,938	14.2
July .....	2,651	602	203	23	525	20	2,888	13.9
August .....	2,701	525	273	24	457	21	2,997	14.4
September .....	2,633	457	209	23	464	34	2,778	13.3
October .....	3,223	464			525			

<sup>1</sup> Excludes production from farm slaughter. <sup>2</sup> Derived from estimates by months of population eating out of civilian supplies. <sup>3</sup> Less than 500,000 pounds.



Selected marketing, slaughter and stocks statistics for meat animals and meat

Item	Unit	1972		1973		
		Sept.	Oct.	Aug.	Sept.	Oct.
Meat animal marketings						
Index number (1967=100) . . . . .		118	135	94	102	140
7-State Cattle on Feed Report						
Number on feed . . . . .	1,000 head	8,681	8,780	9,122	9,180	9,135
Placed on feed . . . . .	1,000 head	1,893	2,645	1,460	1,463	2,118
Marketings . . . . .	1,000 head	1,794	1,847	1,402	1,508	1,751
Slaughter under Federal inspection						
Number slaughtered						
Cattle . . . . .	1,000 head	2,789	2,909	2,362	2,360	2,863
Steers . . . . .	1,000 head	1,486	1,524	1,203	1,267	1,510
Heifers . . . . .	1,000 head	833	853	614	606	789
Cows . . . . .	1,000 head	418	480	489	435	507
Bulls and stags . . . . .	1,000 head	52	52	57	52	57
Calves . . . . .	1,000 head	197	211	115	128	168
Sheep and lambs . . . . .	1,000 head	866	937	844	789	915
Hogs . . . . .	1,000 head	6,420	7,048	5,569	5,348	6,613
Percentage sows . . . . .	Percent	6	6	7	6	5
Average live weight per head						
Cattle . . . . .	Pounds	1,034	1,054	1,039	1,057	1,059
Calves . . . . .	Pounds	206	213	204	210	195
Sheep and lambs . . . . .	Pounds	101	106	104	104	106
Hogs . . . . .	Pounds	237	239	240	240	242
Average production						
Beef, per head . . . . .	Pounds	625	638	625	637	642
Veal, per head . . . . .	Pounds	115	119	115	118	108
Lamb and mutton, per head . . . . .	Pounds	50	52	50	51	52
Pork, per head . . . . .	Pounds	158	161	166	165	166
Pork, per 100 pounds live weight . . . . .	Pounds	67	67	69	69	68
Lard, per head . . . . .	Pounds	17	17	15	15	16
Lard, per 100 pounds live weight . . . . .	Pounds	7	7	6	6	7
Total production						
Beef . . . . .	Mil. lb.	1,737	1,851	1,472	1,500	1,832
Veal . . . . .	Mil. lb.	23	25	13	15	18
Lamb and mutton . . . . .	Mil. lb.	43	49	42	40	47
Pork . . . . .	Mil. lb.	1,013	1,132	924	882	1,094
Lard . . . . .	Mil. lb.	108	123	82	80	106
Commercial slaughter <sup>1</sup>						
Numbered slaughtered						
Cattle . . . . .	1,000 head	3,042	3,192	2,692	2,605	3,147
Calves . . . . .	1,000 head	244	259	159	164	206
Sheep and lambs . . . . .	1,000 head	893	971	888	820	952
Hogs . . . . .	1,000 head	6,808	7,492	5,888	5,653	6,994
Total production						
Beef . . . . .	Mil. lb.	1,880	2,013	1,659	1,639	1,994
Veal . . . . .	Mil. lb.	34	37	25	24	28
Lamb and mutton . . . . .	Mil. lb.	44	50	44	41	49
Pork . . . . .	Mil. lb.	1,073	1,202	973	929	1,152
Lard . . . . .	Mil. lb.	113	128	86	84	111
Cold storage stocks first of month						
Beef . . . . .	Mil. lb.	284	298	299	256	245
Veal . . . . .	Mil. lb.	10	11	10	8	8
Lamb and mutton . . . . .	Mil. lb.	21	19	14	13	13
Pork . . . . .	Mil. lb.	204	192	202	180	198
Total meat and meat products <sup>2</sup> . . . . .	Mil. lb.	599	594	590	508	527

<sup>1</sup> Federally inspected and other commercial. <sup>2</sup> Includes stocks of canned meats in cooler in addition to the meats listed.

**Selected price statistics for meat animals and meat**

Item	1972		1973		
	Sept.	Oct.	Aug.	Sept.	Oct.
<i>Dollars per 100 pounds</i>					
<b>CATTLE AND CALVES</b>					
Beef steers, slaughter, Omaha					
Prime .....	35.51	35.52	54.85	45.68	42.08
Choice .....	34.85	34.85	53.61	45.45	41.79
Good .....	33.48	33.79	51.60	43.64	40.16
Standard .....	32.21	32.30	47.40	41.36	38.23
Utility .....	29.65	30.86	45.93	37.60	36.98
All grades .....	34.69	34.68	53.13	45.06	41.33
Choice 900-1100 pounds, California .....	34.38	35.62	54.10	45.56	42.00
Choice 900-1100 pounds, Colorado .....	34.66	34.75	53.35	45.72	41.50
Cows, Omaha					
Commercial .....	26.19	25.91	38.08	35.00	33.54
Utility .....	26.57	26.19	37.56	34.58	33.68
Cutter .....	25.18	24.68	35.63	33.20	32.28
Canner .....	23.87	23.18	33.91	31.68	30.60
Vealers, Choice, S. St. Paul .....	58.78	60.50	69.66	67.67	67.56
Stocker and feeder steers, Kansas City <sup>1</sup> .....	41.29	40.87	56.40	49.73	49.84
Price received by farmers					
Beef cattle .....	34.00	34.40	51.70	47.20	42.60
Cows .....	25.10	25.20	37.90	35.50	33.30
Steers and helpers .....	35.80	36.50	55.20	49.70	44.60
Calves .....	45.60	47.10	68.50	62.00	58.30
Beef steer-corn price ratio <sup>2</sup> .....	27.1	27.1	19.6	19.0	17.7
<b>HOGS</b>					
Barrows and gilts, U.S. No. 1 and 2, Omaha					
180-200 pounds .....	---	---	---	45.82	---
200-220 pounds .....	29.50	28.66	56.95	44.22	42.52
220-240 pounds .....	29.47	28.57	57.01	44.28	42.52
Barrows and gilts, 7 markets <sup>3</sup> .....	29.10	28.09	56.68	43.79	42.12
Sows, 7 markets <sup>3</sup> .....	25.92	25.05	50.62	40.34	37.66
Price received by farmers .....	28.10	27.40	56.50	43.80	40.80
Hog-corn price ratio <sup>4</sup>					
Omaha, barrows and gilts .....	22.6	21.8	20.8	18.4	17.8
Price received by farmers, all hogs .....	23.0	23.0	21.1	20.4	18.8
<b>SHEEP AND LAMBS</b>					
Sheep					
Slaughter ewes, Good, San Angelo .....	10.12	9.38	19.40	16.88	16.80
Price received by farmers .....	7.33	7.31	15.10	13.10	12.50
Lamb					
Slaughter, Choice, San Angelo .....	29.44	28.50	39.42	---	36.00
Feeder, Choice, San Angelo .....	29.56	29.38	38.40	34.81	35.65
Price received by farmers .....	29.10	28.20	42.60	33.10	32.00
<b>ALL MEAT ANIMALS</b>					
Index number price received by farmers (1967=100) .....	152	153	253	218	199
<i>Dollars per 100 pounds</i>					
<b>MEAT</b>					
Wholesale, Chicago, Carlot					
Steer beef carcass, Choice, 600-700 pounds ...	53.36	52.95	---	69.69	65.56
Heifer beef, Choice, 500-600 pounds .....	52.04	51.49	---	68.58	63.50
Cow beef, Canner and Cutter .....	53.38	51.15	---	70.08	68.45
Lamb carcass, Choice and Prime, 45-55 pounds	62.48	60.75	85.90	66.98	66.72
Fresh pork loins, 8-14 pounds .....	62.19	64.38	94.47	80.13	76.07
<i>Cents per pound</i>					
Retail, United States average					
Beef, Choice grade .....	112.9	112.8	144.2	144.9	136.0
Pork, retail cuts and sausage .....	86.6	87.5	131.5	126.3	117.1
Lamb, Choice grade .....	120.1	120.5	148.7	155.3	146.3
Index number all meats (BLS)					
Wholesale (1967=100) .....	129.7	128.7	192.1	181.6	163.7
Retail (1967=100) .....	132.3	132.7	180.0	180.8	172.7
Beef and veal .....	138.3	137.3	175.4	177.0	170.6
Pork .....	127.1	129.2	197.0	191.3	177.2

<sup>1</sup> Average all weights and grades. <sup>2</sup> Bushels of No. 2 Yellow Corn equivalent in value to 100 pounds of slaughter steers sold out of first hands, Omaha, all grades. <sup>3</sup> St. Louis N.S.Y., Kansas

City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis. <sup>4</sup> Number bushels of corn equivalent in value to 100 pounds of live hogs.

207

## WORLD MEAT ECONOMY IN PERSPECTIVE //

by <sup>25</sup>  
Donald W. Regier //

**ABSTRACT:** Distribution of world meat supplies tends to shift as regional supply or demand factors change. Reduced total output of beef and pork in the United States and the European Community, while world demand for meat remained strong, led to record high meat prices in 1972 and 1973. It may be 1975 before EC beef output recovers to the 1971 level.

Reduced meat output in the recent past has not been limited to the United States nor confined to beef. Pork production has faltered as well. Growing world demand for meat has outpaced production, and prices have soared to record levels. However, signs point to a return to more normal conditions in the key nations of the world meat economy within the next few years.

Data for 1970 provide a reasonable background for evaluating the relationship between various regions of the world involved in the international meat trade. Separate panels show total meat (panel 1) and the breakout of beef and veal (panel 2) and pork (panel 3). The world is divided into regions, represented in each panel by circles. The area of a circle is proportional to meat availability and measures (1) the importance of the region in relation to other regions and (2) the importance of each kind of meat.

Beef makes up most of the meat shipped over long distances, followed by processed pork and by mutton. Trade in poultry is small.

### Regions Having Most Impact

Four regions mainly determine the size of the world meat economy: (1) the United States, (2) the European Community, (3) Eastern Europe and Soviet Union, and (4) the People's Republic of China. Each of these four regions depends largely on its own resources, and the rest of the world can do little beyond modestly supplementing their requirements. The Soviet Union, and the People's Republic of China import or export mainly as local needs require. Of the four regions, the European Community is most dependent on foreign meat supplies. Events in any of these regions which result in increased imports tend to reduce meat supplies and increase prices in other regions.

Neighboring regions trade actively with the two leaders. U.S. trade is active in both directions with

Canada, Mexico and Central America, but the United States is a net importer. Similarly, the E.C. trades with other parts of Western and Eastern Europe and is also on a net import basis.

A second group of four regions—the United States, the European Community, South America, and Oceania—dominates the long distance commercial meat trade. The United States and the European Community, the largest importers, are in this group. World supply and price conditions are mainly determined by events in these two areas.

### The United States

The United States is the world's leading meat producer, accounting for a fourth of world beef output and a fifth of all meat production including poultry. But meat imports have been rising each year for the past decade due to strong demand and favorable prices.

With nearly a sixth of world pork output, the United States ranks third after the People's Republic of China and the European Community, which together account for more than two-fifths of world production.

The United States, the world's No. 2 beef importer, generally imports less than 5 percent of the meat it consumes. These imports (mainly beef) are a factor in U.S. prices and production. Similarly, prices and market conditions in the United States echo in the world at large. When U.S. market conditions are drawing additional supplies from abroad, world meat prices generally get a boost. When the United States and the European Community are found to be bidding against each other for more of the world supply, as happened earlier this year, world prices react strongly.



## The European Community

The European Community consumes nearly as much total meat as the United States—less beef but more pork. It is the world's leading meat importer and the second largest producer and consumer. It accounts for 15 percent of global beef consumption and 17 percent of world meat including poultry by producing about 90 percent of its needs and importing the rest. When EC domestic beef production slips even a few percentage points—as it did in 1964 and 1965 and again in 1972—world supplies are severely taxed and market prices rise.

The fact that Europe's beef comes principally from dairy cattle has an important bearing on current high beef prices. Europe sometimes has a surplus of dairy products. Measures are then taken to get farmers to trim herds. However, such action increases the beef supply. Controlling the dairy surpluses of the late 1960's helped bring about the beef shortage of the early 1970's and sent Europe searching for import supplies. Herds are now growing again and greater beef production should follow. However, milk production is also rising and dairy surpluses are also growing again.

## The Long Distance Exporters

Oceania is the world's largest exporter of beef and mutton. Australia is in the process of expanding beef herds for a long-run increase in export capability. Herds have been expanding for several years. New Zealand is embarked on conversion from dairy to beef production and is generating additional meat supplies. Production of fed beef is beginning.

South America is close behind Oceania in export volume. Argentina—second ranking beef exporter—is gearing up for expansion. Prospects for Argentina, however, hinge to some extent on what the new government will do to promote cattle production and trade. Brazil, an occasional strong exporter with a herd twice the size of Argentina's, is trying to develop into a more dependable supplier, but rapidly increasing domestic consumption limits the possibilities.

Argentina, world leader in per capita meat consumption, can and at times does generate exports by reducing local consumption.

## Restrictions on World Trade

The United States has stringent restrictions or prohibitions on imports of cattle, pigs, sheep, goats, and their meats from countries in which foot-and-mouth disease exists so as to prevent its spread in this country. The disease is endemic in much of Europe, Asia, Africa, and in the Western Hemisphere south of Panama and live animals cannot be imported into the United States from these areas. Cooked meat only

may be imported—heat treated to 156°F for a 2-hour minimum to kill the virus. Frozen boneless beef from aftosa-free Oceania is the largest U.S. meat import, and some canned beef and a growing amount of frozen roast beef from Argentina are imported.

Europe gets most of its imported meat as chilled beef from Oceania and South America.

## Other Regions

The other giants in the world meat economy, Eastern Europe—USSR, and the People's Republic of China, have played largely passive roles until now. Self-sufficiency remains the basic policy in these countries except for local border trading as required. However, this year's large feed grain imports by the Soviet Union may possibly indicate a decision to lay the basis for a higher level of planned meat consumption with more imported inputs.

Japan is in the midst of a revolution in meat consumption induced by sustained, rapid growth in income and wealth. Per capita meat use doubled during the 1960's but is still the lowest of the developed countries. Beef imports are regulated, but consumption could surge much higher if restrictions were removed.

Africa's meat economy is largely self-contained with offsetting internal exports and imports and with some shipments to Europe. Beef production is being stimulated in East Africa, but a 6-year drought in the heart of the South Sahara cattle country has crippled its meat producing capacity.

Indonesia is self-sufficient in meat because purchasing power is low, and meat is priced beyond general reach.

Though possessing the world's largest cattle herd, India manages it poorly and passively, and out of necessity, pursues a policy of low-income self-sufficiency.

## Outlook

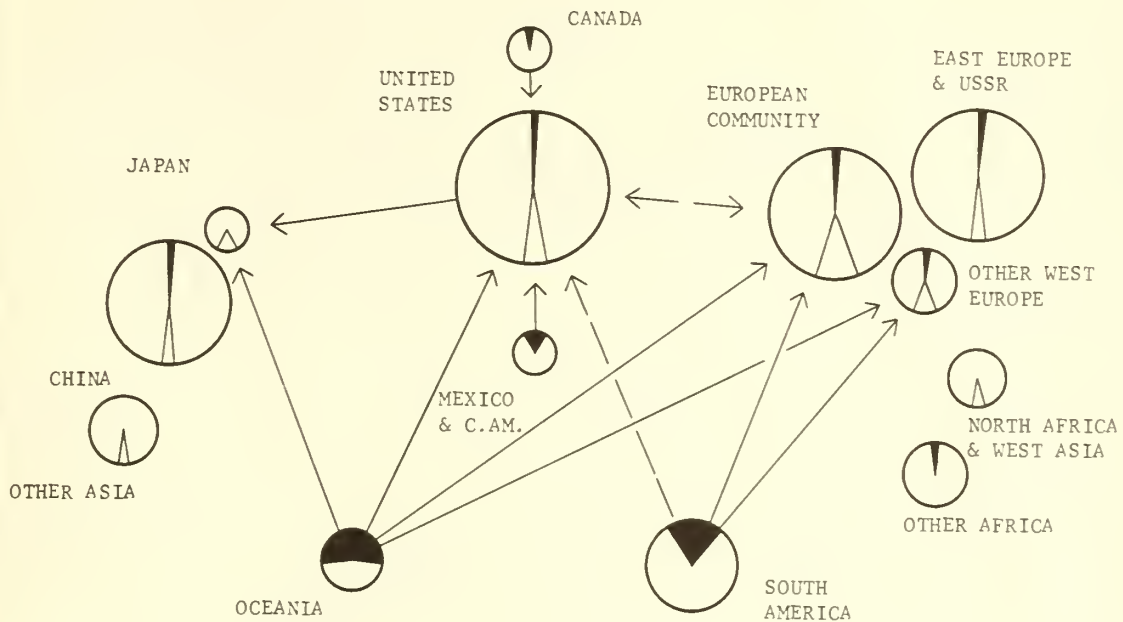
U.S. beef output for 1973 has been off from recent years, but the cattle herd buildup is progressing at a rapid pace. Prospects indicate that beef production should pick up next year and pork in 1975. Pork output has been down throughout 1972 and 1973.

After rising since the mid-1960's, European beef production declined sharply in 1972 and reduced output continued into 1973. Cattle numbers there are gaining again after several years of decline. In addition, pork production is resuming growth after a pause in 1972.

Increased imports in Europe have helped prevent meat consumption from falling by as much as local production. Prices have been high during the herd building process, but will recede as beef output again increases. If past patterns hold, it will be 1975 before EC beef production exceeds the 1971 level.

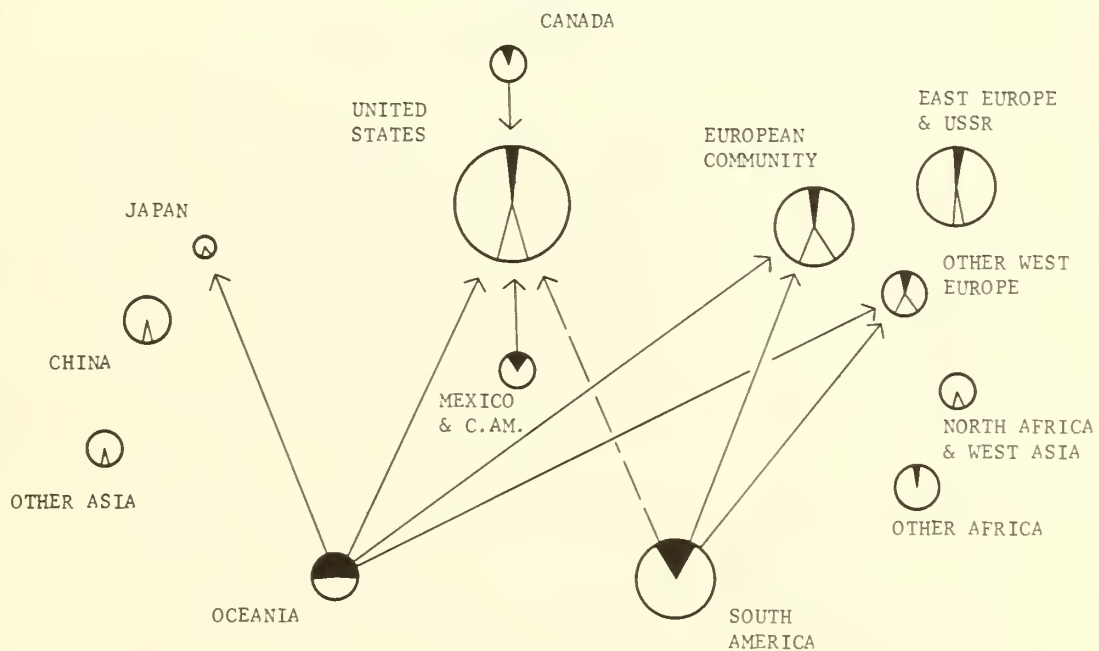
PANEL NO. 1

TOTAL MEAT



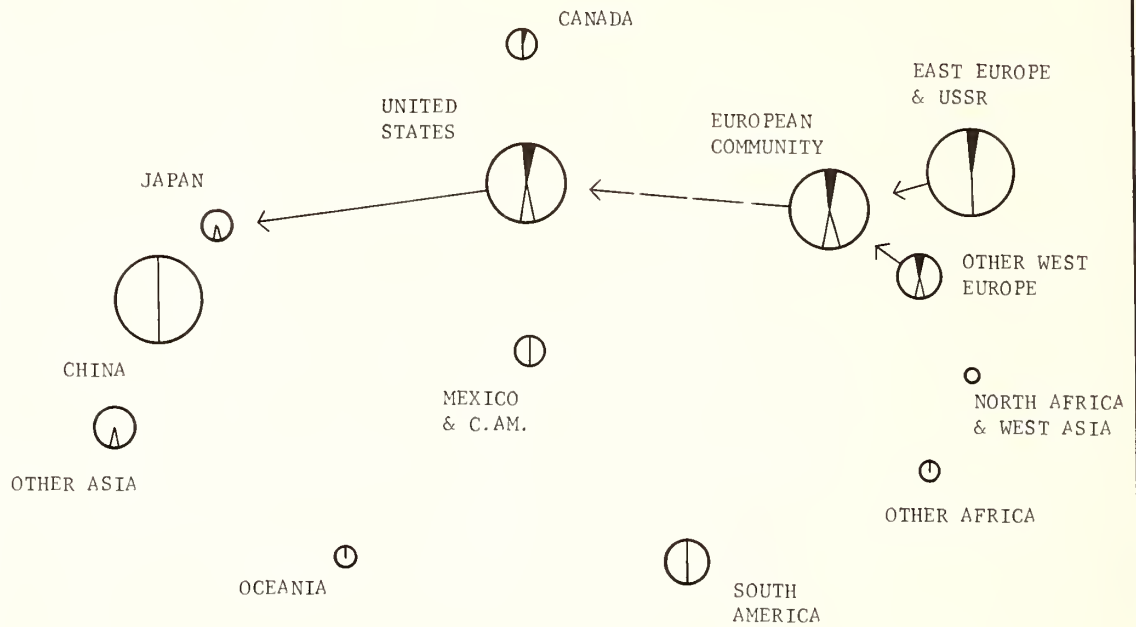
PANEL NO. 2

BEEF & VEAL



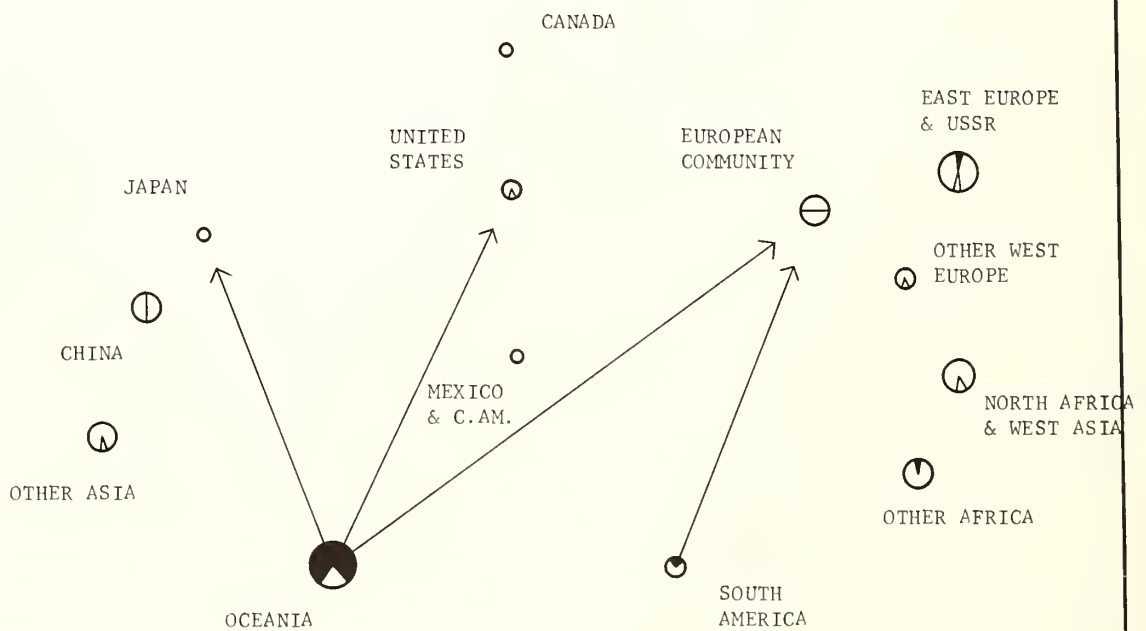
PANEL NO. 3

PORK

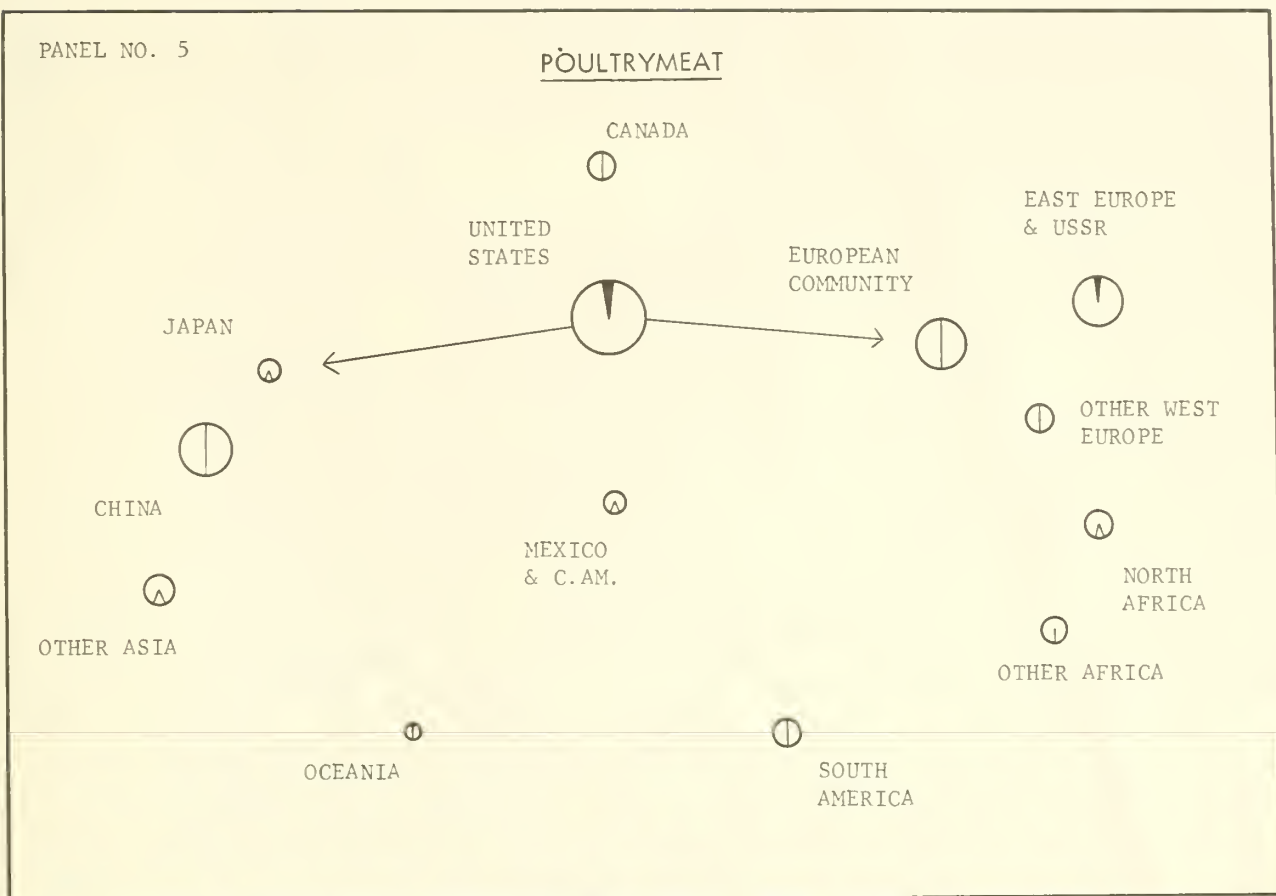


PANEL NO. 4

MUTTON





PÒULTRYMEAT

## WORLD MEAT ECONOMY: NOTES

- Based on 1970 data.
- Meat in panel 1 includes beef, pork, poultry, mutton, and other meat including horsemeat, game, and edible offal.
- White areas of the circles are proportional to consumption of all meat. Total meat consumption can be compared, for major regions of the world, by comparing the unshaded areas of the circles. Corresponding areas in the different panels are also comparable. Thus, for the United States, the areas of panels 2 (Beef) and 3 (Pork) plus an allowance (not illustrated) for poultry, mutton, and other meat add to the area shown in panel 1 (Total Meat).
- Shaded sectors in the upper part of the circles indicate exports and are to be deducted in determining consumption. Open sectors in the lower part of circles are imports, and indicate meat locally consumed originating abroad. Intensity of production for export is indicated by comparing, for a given region, the shaded area above (exports) with the white area below (local consumption).
- Arrows indicate directions of principal trade flows. Only major directions, on a net basis, are shown. For the world, shaded sectors (exports) equal open sectors (imports).
- A region may both export and import. This indicates both geographic and commodity specialization within the region.
- Solid lines represent unrestricted trade as to aftosa (foot-and-mouth disease). They represent live animals or fresh meat (chilled or frozen). Dashes are cooked meat only, which may be shipped canned or frozen. One route through the aftosa restriction as applied to Europe involves moving pregnant animals to Canada or Ireland and the offspring, born there, on to the United States.



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## LIST OF TABLES

<i>Table</i>	<i>Title</i>	<i>Page</i>
1	Cattle and calves on feed in 23 States October 1, by regions . . . . .	5
2	Average retail price of meat per pound, United States, by months, 1968 to date . . . . .	15
3	Meat subject to U.S. import quota restriction: Product weight of imports by months, average 1959-63, 1964-73 . . . . .	16
4	U.S. Meat imports and exports, and percentage comparisons (carcass weight), 1972-73 . . .	16
5	Corn Belt Cattle Feeding . . . . .	22
6	Corn Belt Hog Feeding . . . . .	23

### STANDARD SUMMARY TABLES

Supply and Distribution of meat by months . . . . .	24
Selected price statistics for meat animals and meat . . . . .	25
Selected marketings, slaughter and stocks statistics for meat animals and meat . . . . .	26